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Luxury Ethical Consumers: Who Are They?

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Luxury Ethical Consumers: Who Are They?

ABSTRACT

Building on a model of the biological, socio-psychological, and structural drivers of luxury consumption, this article explores when and why luxury consumers consider ethics in their luxury consumption practices, to identify differences in their ethical and ethical luxury consumption. The variables proposed to explain these differences derive from biological, socio-psychological, and structural drivers, namely, consumers' (1) age, (2) ethicality, (3) human values, (4) motivations, and (5) assumptive world. A cluster analysis of a sample of 706 U.S. adult luxury consumers reveals five segments of luxury consumers, each reflecting a specific persona, that engage in both ethical and ethical luxury consumption to varying extents. The five segments differ in the extent to which they exhibit features related to four discriminant functions (immorality, ego-orientation, and strain; altruistic-orientation; conservation, in control, and positivity; and youth and luxury savvy), which vary across the biological, socio-psychological, and structural drivers. The findings thus indicate which segments of luxury consumers are most relevant for luxury firms pursuing a long-term sustainability agenda and suggest practical actions to reach those goals.

KEYWORDS: age; assumptive world; ethical consumption; ethicality; ethical luxury consumption; luxury; luxury consumption; purchase motivations; persona; self-worth; values.

Demand for luxury is increasing; global spending on luxury consumption grew 5% in 2018 to an estimated €1.2 trillion and is expected to continue expanding (D'Arpizio et al., 2019; Kollwe, 2015). Approximately 85% of this growth is attributed to Millennials, who will constitute 45% of the global personal luxury goods market by 2025 (de Kerviler and Rodriguez, 2019; Shin, Eastman, and Mothersbaugh, 2017). In line with such growth, scholars offer expanded arrays of studies into how people use luxury consumption to signal their status (Han, Nunes, and Drèze, 2010; Veblen, 1899), reduce dissatisfaction with their current possessions (Ordabayeva and Chandon, 2011), boost self-esteem (Belk, 1988), attract romantic partners (Griskevicius et al., 2007), or communicate wealth or prestige (Rucker, Galinsky, and Dubois, 2012).

Yet even as it provides these benefits, luxury consumption remains subject to long-standing condemnation and sanctions (e.g., by Montaigne, Pascal, Plato, Rousseau, Seneca), because of its seeming immorality (Goenka and Thomas, 2019). Religious and spiritual texts discourage the purchase or exhibition of luxury products; Catholic catechism teaches that private property should be oriented toward “the universal destination of goods” (Catholic Church, 1992). Moral ambiguity associated with luxury consumption also reflects more recent ethical stances, such as those linked to sustainability, as suggested by early research on sustainable luxury (e.g., Achabou and Dekhili, 2013; Davies, Lee, and Ahonkhai, 2012; Kapferer and Michaut, 2014a; Streit and Davies, 2013). In this view, luxury is associated with ostentation and overconsumption (Osburg et al., 2021; Veblen, 1889), whereas sustainability requires moderation and ethics (Naderi and Strutton, 2015).

Yet if ethics and luxury consumption truly were incompatible (Achabou and Dekhili, 2013), there would be no demand for ethical luxury consumption. Instead, real-world evidence reveals increasing demand for ethical luxury products and services, leading researchers to address the ethicality of luxury consumption (e.g., Amatulli, Angelis, and Donato, 2021; Diallo

et al., 2020; Karatzas, Kapoulas, and Pripoas, 2019; Leban et al., 2021; Moraes et al., 2017; Pinto et al., 2019; Septianto, Seo, and Errmann, 2021) and even host a recent symposium on the topic (Osburg et al., 2021). Some of this research indicates that sustainability remains a secondary concern for luxury consumers (Achabou and Dekhili, 2013), but other studies assert that consumers seek supply chain information to support their eco-consumption efforts (Cervellon and Wernerfelt, 2012), demonstrate that sustainable products can provide personal benefits to consumers (McEachern and Warnaby, 2005), and explain how luxury consumers use sustainable offerings to justify their positive attitudes toward luxury products (Steinhart, Ayalon, and Puterman, 2013).

Furthermore, some luxury brands have worked to incorporate sustainability into their sourcing, manufacturing, and marketing strategies (Athwal et al., 2019). For example, the Loro Piana brand produces exceptional quality cashmere products and also developed a new, selective breeding method for goats to limit threats to the fragile ecosystem of Inner Mongolia (Gardetti and Giron, 2014; Haigh and Hoffman, 2012; Haigh et al., 2015; Schaltegger, Beckmann, and Hockerts, 2018). In addition to facilitating a sustainable balance among the welfare of the animals, benefits for the local population, and protection of the environment, the novel method produces greater volumes of better quality fiber, which increases revenues throughout its supply chain.

Despite these attempts to investigate ethical luxury consumption, some gaps remain (Athwal et al. 2019; Osburg et al. 2021); in particular, we know of no explicit efforts to define *which* luxury consumers engage in ethical luxury consumption. Some evidence suggests that 30%–40% of luxury consumers seek sustainable luxury and view sustainability as an important purchase determinant (Athwal et al., 2019). We therefore seek to define segments of luxury consumers who engage in ethical luxury consumption, at varying levels. With the recognition that luxury consumers engage in ethical consumption, as well as in ethical luxury consumption,

to varying extents and as two distinct behaviors, we establish the specific characteristics of luxury consumers in different segments. We also identify several drivers of their choice to undertake varying degrees of ethical consumption and ethical luxury consumption.

In particular, we turn to a model of biological, socio-psychological, and structural drivers of luxury consumption (Dubois, Jung, and Ordabayeva, 2021). By including all three drivers, we can account for two relevant perspectives, spanning the “nature-nurture” perspective and the individual/group–macro-level perspective. That is, human behavior stems from the interplay of genetic (“hard-wired”) and environmental influences (McGue and Bouchard, 1998; Robinson, 2004). The three types of drivers accordingly span a continuum, from context-independent, “hard-wired” (i.e., biological) factors, to more context-dependent factors that vary from the micro-, or individual/group-level (i.e., socio-psychological) factors to the macro- or system-level (i.e., structural) factors that reflect the overall environment in which people live.

With this model, we address research questions about the influences of consumers’ age (biological driver); ethicality (biological driver); human values (socio-psychological driver); purchase motivations (socio-psychological driver); and fundamental assumptions and expectations about themselves and the world, also known as the assumptive world (structural driver). By investigating these five factors, we can identify different segments of ethical luxury consumers, as well as specify which segments are most relevant for luxury brands to target in their strategic attempts to achieve long-term sustainability (Bansal and DesJardine, 2014). The five factors also suggest strategies for luxury brands to market their offerings to ethical luxury consumers, promising benefits for ethical luxury consumption in the long term.

We regard these five factors as uniquely relevant. First, age influences multiple human behaviors, including mating preferences, which in turn influence luxury consumption choices (Wang and Griskevicius, 2014). Second, consumer ethicality affects luxury consumption

(Chaudhuri and Majumdar, 2006), such that a relativistic ethical ideology and general acceptance of questionable behaviors are more prevalent among consumers who engage in luxury consumption. Third, both human values and purchase motivations determine luxury consumption (Burke, Eckert, and Davis, 2014; Janssen et al., 2014). For example, luxury consumption tends to be associated with conspicuousness (Han, Nunes, and Drèze, 2010), hedonism (Hagtvedt and Patrick, 2009), and success (Mandel, Petrova, and Cialdini, 2006), which resonate with self-enhancement motives, because all these factors emphasize consumers' own interests and well-being. Fourth, consumers' assumptive world influences luxury consumption (Ferraro, Shiv, and Bettman, 2005). Notably, structural changes, economic volatility, environmental issues, and other shocks (e.g., terrorism, pandemics) have inevitable effects on how luxury consumers perceive luxury consumption in general. Thus, even if other factors could affect luxury consumers' behaviors, we assert that building on these five biological, socio-psychological, and structural drivers can establish a parsimonious, comprehensive framework for defining segments of luxury consumers who engage in ethical consumption and ethical luxury consumption.

In turn, this study makes contributions to several existing literature domains. First, unlike most research on ethics and luxury consumption (e.g., Davies, Lee, and Ahonkhai, 2012), we consider whether and why luxury consumers adopt distinct ethical and ethical luxury consumption behaviors, to varying degrees. For example, do some consumers never buy luxury products if they also are ethical, but otherwise they would buy ethical products and services? Do others only buy ethical luxury products, without applying ethical standards to their regular purchases? By teasing out differences across the identified segments of luxury consumers, we provide novel, detailed insights into ethical luxury consumption.

Second, we identify five distinct segments of luxury consumers, according to the extent to which they engage in ethical and ethical luxury consumption. Four of these segments reflect

a range, from low levels of both ethical consumption and ethical luxury consumption to very high levels of both types. In terms of their biological, socio-psychological, and structural drivers, the profiles of these luxury consumers differ strongly, so they do not constitute an actual continuum. In addition, the fifth segment engages in much more ethical consumption than ethical luxury consumption.

Third, we provide some pertinent insights into how the five segments of luxury consumers differ according to four composite dimensions (i.e., discriminant functions) formed by the biological, socio-psychological, and structural drivers. This research thus provides the first evidence that five segments of luxury consumers exist and differ in the extent to which they possess unique combinations of biological, socio-psychological, and structural drivers. In turn, we can define the relevance of each segment, as a target for luxury firms that pursue a long-term sustainability agenda.

In the next section, we provide a brief overview of research on ethical, luxury, and ethical luxury consumption, to establish the foundation for our research questions. After we report on our proposed typology of luxury consumers, we present the results related to the research questions. In addition to discussing this study's theoretical contributions, we outline how these insights can be used to support long-term sustainability in luxury markets; in particular, sustainable entrepreneurs can use these insights to enhance their competitiveness, based on not just the quality of their products and services but also their ability to contribute to addressing social, economic, and ecological problems (Haigh and Hoffman, 2012; Schaltegger, Beckmann, and Hockerts, 2018), even when they target luxury consumers. Finally, we note some research limitations and suggest opportunities for further research.

LITERATURE REVIEW

Luxury Consumption

Consumer research has established that luxury is associated with a price that exceeds functional values and also with features perceived as truly exceptional, by offering rarity, quality, natural materials, or craftsmanship (Kapferer and Laurent, 2016). However, no clear, undisputed definition of luxury exists (Davies, Lee, and Ahonkhai 2012; Dubois, Czellar, and Laurent, 2005; Kapferer and Laurent, 2016; Kapferer and Michaut, 2016). For example, Chandon, Laurent, and Valette-Florence (2016, p. 300) assert that “The luxury domain ... is tied unquestionably to consumers’ perceptions of luxury brands,” but Phau and Prendergast (2000, p. 123) claim that “what is luxury to one may just be ordinary to another.” These conflicting views highlight the idiosyncratic nature of luxury. Consumers may embrace a specific view of luxury, but their perceptions also vary widely, so as Kapferer and Laurent (2016, p. 339) put it, “luxury is in the eye of the consumer.” Research in psychology and marketing also considers questions related to luxury consumption and indicates that people engage in luxury consumption mainly due to their desire for status (Dubois, Jung, and Ordabayeva, 2021). Such research categorizes status-related desires into three drivers: biological, socio-psychological, and structural.

Biological drivers. Evolutionary psychology suggests that age is consequential for mate selection (Conroy-Beam and Buss, 2019). Furthermore, both evolutionary needs and mating goals influence luxury consumption (Griskevicius et al., 2007; Wang and Griskevicius, 2014). For example, the mere presence of another person (of any gender) increases female consumers’ attention to luxury products (Pozharliev et al., 2015), and administration of testosterone increases men’s preference for luxury brands (Nave et al., 2018).

Socio-psychological drivers. Consumers’ values and goals can inform their desire for luxury consumption too. More conservative people value status; people with high socio-economic status also demonstrate a greater desire for luxury consumption (Kim, Park, and

Dubois, 2018). Conservative views encourage luxury consumption for people who seek to differentiate vertically from others in a social hierarchy (Ordabayeva and Fernandes, 2018).

Structural drivers. Research in luxury consumption that finds an effect of structural drivers demonstrates that consumers with high (vs. low) childhood socio-economic status reduce (vs. increase) their luxury consumption when they experience uncertainty and stress (Griskevicius et al., 2013). In another example, highly ornate Victorian homes were designed as a refuge for the well-offs from the cruel outside world (Millman, 1994). These luxurious homes used bobbles of wool abundantly on curtains and furniture and blended different styles (e.g., rococo, Louis XVI, gothic, renaissance, baroque).

Forms of luxury consumption. In addition to establishing reasons for luxury consumption, research has investigated the various forms that luxury consumption can take (Dubois, Jung, and Ordabayeva, 2021). For example, consumers with low socio-economic status may prefer visible luxury consumption, with prominent brand cues, whereas people with high socio-economic status prefer less ostentatious luxury consumption (Berger and Ward, 2020; Han, Nunes, and Drèze, 2010). Prior research also distinguishes iconic and ephemeral luxury consumption, suggesting that engaging in ephemeral luxury consumption creates a stronger perception that consumers have earned their status through effort, which increases their recognition by other consumers (Desmichel, Ordabayeva, and Kocher, 2020).

Ethical Luxury Consumption

We argue that ethical luxury consumption represents a distinct form and thus address it separately in this section. Building on arguments posed by Bray, Johns, and Kilburn (2011), Burke, Eckert, and Davis (2014), and Moraes et al. (2017), we contend that when they engage in ethical luxury consumption, consumers combine ethical criteria (e.g., manufacturing causes minimal harm to humans, animals, or the natural environment) with the criteria they would apply to any luxury consumption choices (e.g., prestige, price, rarity, quality). Previous research

suggests that ethical luxury refers to design, production, and consumption that seek to remedy previous faults in the luxury industry, including environmental damage, human exploitation, and animal cruelty (Lundblad and Davies, 2015). Furthermore, researchers have used a plethora of terms—eco-friendly, environmentally friendly, green, socially responsible, organic, and so forth—interchangeably, despite their conceptual distinctions (Athwal et al., 2019; Henninger et al., 2016). Thus ethical luxury has been referred to as sustainable luxury or ethical and sustainable luxury (e.g., Osburg et al., 2021).

Along with the diverse terminology, we find contrasting views and findings regarding the compatibility of ethical consumption and luxury consumption (Osburg et al., 2021). As we noted in the introduction, some authors argue that ethicality and luxury are not compatible. With a few notable exceptions, the luxury industry traditionally has not exhibited much concern with environmental impacts, human rights, or well-being (Kapferer and Michaut, 2014b; Winston, 2016). Conspicuous consumption also implies a moral transgression (Beckham and Voyer, 2014), undertaken mainly to enhance consumers' own social status or prestige (Chaudhuri and Majumdar, 2006). When luxury firms pursue in corporate social responsibility, it can negatively affect consumers' willingness to pay a premium for their luxury products (Diallo et al., 2020). As we also noted previously, prestige, price, and perceptions of quality remain primary choice criteria for luxury consumption (Davies, Lee, and Ahonkhai, 2012), and the inclusion of recycled materials in luxury fashion products may diminish their perceived value (Achabou and Dekhili, 2013). Thus Beckham and Voyer (2014) suggest that luxury products appear less luxurious and desirable if they are labeled as sustainable. Furthermore, consumers tend to focus on the central characteristics of products they consume (e.g., luxury for luxury products), rather than peripheral aspects, such as ethical attributes (Hansen and Wänke, 2011), so they may be likely to associate luxury with a lack of sustainability, because they cannot identify the fit between sustainability and luxury (Kapferer and Michaut-Denizeau,

2014). This view arguably has limited investigations of ethical luxury (Athwal et al., 2019; Osburg et al. 2021).

A contrasting perspective argues that ethicality and luxury are compatible in the presence of certain conditions, such as rarity or timelessness (Osburg et al., 2021). Studies in this research stream propose that luxury can be associated with ethicality and sustainability because luxury involves skills, endurance, and quality (Athwal et al., 2019). Amatulli et al (2017, p. 3) even put forth the idea that “luxury brands are in many respects inherently sustainable,” due to key characteristics they possess. For example, luxury indicates durability and timelessness, which is compatible with sustainability that emphasizes continued uses over time (Venkatesh et al., 2010). Luxury products also are scarce and restrict consumption, which may indicate more responsible consumption indirectly, through protection of natural resources (Athwal et al., 2019; De Angelis et al., 2017; Han et al., 2016; Janssen et al., 2015; Roper et al., 2013). This view also is supported by real-world evidence, in that economic volatility and growing awareness of environmental issues require the luxury industry to address sustainability and ethics questions; as we noted, an estimated 30%–40% of luxury consumers seek sustainable luxury and regard sustainability as an important purchase determinant (Athwal et al., 2019). For example, sustainability has become a central criterion for purchases of pearls and gourmet seafood (Cowburn et al., 2018; Nash et al., 2016). Respect for the environment, recycled materials, and innovation also represent strategic priorities for many luxury brands (Gardetti and Torres, 2014; Massa, 2017). Tiffany & Co. and De Beers offer diamonds certified as “conflict free” (Winston, 2016); Chopard identifies its ethical gold as sourced from artisanal small-scale mines that participate in certification programs (DeMarco, 2018; Kapferer and Michaut, 2015); and LVMH and Kering claim sustainability is a key strategic priority (Adams et al., 2018; Hendriksz, 2018). In 2013, LVMH acquired 80% of the Loro Piana brand. Thus,

ethicity and luxury may be compatible, and research into luxury consumption increasingly identifies ethical behaviors.

The question of whether *consumers* view luxury as compatible with ethicality also may depend on their own identities and motivations (Moraes et al., 2017). For example, through ethical luxury consumption, consumers may seek a conspicuous ethical identity, such that they want their contributions to societal welfare to be recognized (Davies et al., 2012). Consumers who seek information about luxury product supply chains and require ecological alternatives might derive personal benefits from supporting green and ethical supply chains through their purchases (Cervellon and Wernerfelt, 2012; McEachern and Warnaby, 2005). Thus, environmental claims can increase positive responses to luxury products (Steinhart, Ayalon, and Puterman, 2013). Some consumers perceive health benefits of sustainable luxury consumption of products such as cosmetics (Cervellon and Shammass, 2013). Scarce, durable products (e.g., fine jewelry) in particular tend to be perceived as more socially responsible, which increases consumers' positive assessments (Janssen et al., 2014). When marketing communications focus on sustainability, it even might enhance consumers' willingness to purchase the luxury items, because such communications are atypical (Amatulli, Angelis, and Donato, 2021). Amatulli, Angelis, and Stoppani (2021) specify that when luxury hotels promote their sustainability, rather than high levels of customer service, as is more common, customers express greater willingness to book a room, due to enhanced perceptions of the hotel's integrity.

Among these opposing views and findings regarding the compatibility of ethics and luxury, no clear agreement exists, nor do we have a sense of which consumers are more likely to purchase ethical luxury products and services or what features appeal to them (Athwal et al. 2019). Osburg et al. (2021) call explicitly for research into consumers' varying perspectives on ethical and sustainable luxury consumption. As Athwal et al. (2019) suggest, ethical luxury

consumers likely are diverse and fragmented, suggesting the need “for scholarly research to account for and fully examine this diversity” (p. 416). In response, we seek to investigate the effect of consumers’ (1) age, (2) ethicality, (3) human values, (4) motivations, and (5) assumptive world on luxury consumers’ ethical and ethical luxury consumption. In line with this investigation of biological, socio-psychological, and structural drivers for ethical and ethical luxury consumption, we establish several research questions (RQ), specific to each consumer characteristic.

RESEARCH QUESTIONS

Biological Drivers

Consistent with research that identifies biological drivers of consumers’ status-related desires (Dubois, Jung, and Ordabayeva, 2021), we investigate the effects of consumers’ age and ethicality on their ethical and ethical luxury consumption.

Age. From an evolutionary perspective, age has critical conceptual significance. In particular, many factors that contribute to mate choice relate to age, including fertility, physical size, emotional maturity, and social status (Conroy-Beam and Buss, 2019). Previous empirical research affirms that age is a key variable in mate preferences and selection (Bech-Sørensen and Pollet, 2016). Furthermore, evolutionary needs and mating goals relate to luxury consumption (Griskevicius et al., 2007; Wang and Griskevicius 2014), so we focus on age as a biological driver of ethical luxury consumption. We first establish the relationship between age and luxury consumption and the relationship between age and ethical consumption, and then propose our research question about the relationship of age with both ethical and ethical luxury consumption by luxury consumers.

Previous research into the role of age in luxury consumption reveals that young consumers are the fastest growing segment of luxury consumers (Schade et al., 2016), outpacing any other demographic group, and their spending on luxury continues to increase (Halpert,

2012). Millennials and Generation Z consumers account for 85% of global luxury sales growth, though middle-aged consumers remain the largest segment, in terms of per person spending, which averages €1,600 annually on luxury items (Roberts, 2014; Schade et al., 2016). Young, status-conscious consumers likely are influenced by the symbolic characteristics of a luxury brand, due to the feelings it evokes and the degree of congruency between their self-image and the brand's image (O'Cass and Frost, 2002). Furthermore, younger consumers engage in more branded product consumption, including status products (Chau and Schor, 1998). Millennials are the consumers most likely to buy luxury clothing; Baby Boomers appear less luxury sensitive (Moore and Carpenter, 2008). Other studies of generational differences indicate that the level of luxury consumption is the highest among Generation Y (born between 1977 and 1987), followed by Generation X (born between 1965 and 1976) and Baby Boomers (born between 1946 and 1965) (Eastman and Liu, 2012; Norum, 2003). When they investigate the relationship between generations and status consumption, as well as its potential mediation by other demographic factors such as gender, income, and education, Eastman and Liu (2012) find no significant influences of gender, income, or education, so we focus on age as likely the most important biological driver.

Previous research offers conflicting findings about the effect of age on intentions to engage in ethical behavior. Some studies find that ethical sensitivity increases with age (Hines and Ames, 2000). In one cross-cultural study, older people appear more consistent in their moral thinking (Ma, 1985). Furthermore, older executives express fewer ethical conflicts in their business practice, between what is ethical and what is beneficial for their firm (Vitell, 1986). Older age groups also appear to perceive businesses with socially responsible positions, beyond profit maximization, more positively than younger age groups do (Haski-Leventhal, Pournader, and McKinnon, 2017). However, other studies indicate no correlation between ethical behavior and age (De Pelsmacker, Driesen, and Rayp, 2005). Finally, some recent evidence suggests that

Generations Y and Z represent the most relevant markets for ethical consumption (Bucic, Harris, and Arli, 2012; Hancock, 2017). In one study, 73% of Millennials indicated that they are willing to spend more on a product from a sustainable or socially responsible brand; these younger consumers, especially if they are affluent, are more conscious of the environmental and social impact of their purchase decisions, and they expect high-end, luxury brands to reflect their environmentally conscious and socially responsible values (Oakes, 2019). In synthesizing these non-consistent findings across studies, we consider:

RQ1: How does the effect of age on ethical consumption and ethical luxury consumption vary across different types of luxury consumers?

Consumer's Ethicality. People's ability to tell right from wrong is an important human attribute, which depends on human rationality (Ayala, 2010). Although different factors might influence individual ethicality or morality, ethicality in a general sense is a product of human evolution. That is, a human capacity for ethics is biological in nature, so even if ethical norms that define which actions are good or bad are "largely culturally determined," they fundamentally are "conditioned by biological predispositions" (Ayala, 2010, p. 9018). Evolutionary biology, developmental psychology, and neuroscience studies confirm that ethicality is not a mere result of learning from a social context or culture; rather, selection processes through human evolution have promoted cooperation and social interactions (Hamlin, 2014), so ethicality can be categorized as a biological driver of individual behavior. Theories, such as balancing selection through environmental variability in fitness optima or mutation load (for a review, see Buss, 2009), further explain how individual differences in ethicality may exist even though ethicality fundamentally is conditioned by biological predispositions. According to the former theory, natural selection produces heritable individual differences, so when selection pressures vary over time or space, different levels of consumer ethicality could be favored or be adaptive in different environmental conditions. Some conditions favor people

who display greater ethicality (e.g., more idealistic individuals), and other conditions benefit people who exhibit lower ethicality (e.g., more relativistic individuals). Mutation load theorizes that although maladaptative mutations ultimately disappear through natural selection, those that are only mildly unadaptative may persist for several generations.

In turn, previous research has established a relationship between ethicality and luxury consumption (Chaudhuri and Majumdar, 2006); we consider how it might drive ethical luxury consumption. We first define ethicality, then establish the relationship between ethicality and luxury consumption based on previous research, and finally propose our research question about the relationship of ethicality with both ethical and ethical luxury consumption by luxury consumers.

Ethicality can be categorized as idealistic or relativistic (Forsyth, 1980, 1992) at a high level of abstraction (Baghrmian and Carter, 2020). The belief that it is possible to make the right decision in an ethically questionable situation is idealism (Steenhaut and Van Kenhove, 2006). This deontological perspective embodies concern for others' welfare. More idealistic people anticipate the existence of a morally correct alternative that does not harm others. In contrast, more relativistic people make decisions irrespective of the impact on others (Steenhaut and Van Kenhove, 2006). They reject the notion of universal rules for ethical judgments and focus instead on the social consequences of any behavior, in accordance with a teleological perspective. Idealism is associated with greater, and relativism with lower, ethicality (Erffmeyer, Keillor, and LeClair, 1999; Singhapakdi, Vitell, and Franke, 1999; Steenhaut and Van Kenhove 2006).

At a concrete level, other research defines ethicality according to four categories: (1) actively benefiting from illegal activities (ACT), (2) passively benefiting from illegal activities (PAS), (3) actively benefiting from legal but questionable practices (QUEST), and (4) no-harm, no-foul activities (NOH) (Vitell and Muncy, 1992). As determinants of ethical beliefs (Vitell,

Lumpkin, and Rawwas, 1991) and decision making (Rawwas, 1996), these concrete behaviors range from clearly questionable to minimally controversial behaviors. Extensive previous research into the role of consumer ethicality in consumption reveals that more idealistic consumers tend to reject questionable consumption activities, whereas more relativistic consumers generally do not (Chaudhry and Stumpf, 2011; Palihawadana, Oghazi, and Liu, 2016; Swaidan, Vitell, and Rawwas, 2003; Witkowski and Reddy, 2010; Zou and Chan, 2019). When consumers are ethically influenced, they are more willing to include ethical product alternatives in their habitual consumption (Davies and Gutsche, 2016).

Research into luxury consumption also has examined the effects of ethicality. Some scholars define luxury consumption as fundamentally non-ethical (Chaudhuri and Majumdar, 2006; Godey et al., 2006). In this case, a relativistic ethical ideology and lack of rejection of questionable behaviors should be more prevalent among consumers who engage in luxury consumption. In contrast, high-net-worth social media influencers appear to conspicuously enact extreme luxury lifestyles, even as they actively display ethicality, both online and offline (Leban et al., 2021). When we integrate all these findings, we ask:

RQ2: How does ethicality determine ethical and ethical luxury consumption, and how does ethicality differ across various types of luxury consumers?

Socio-Psychological Drivers

According to socio-psychological theory, individuals and society are interlinked, because individuals strive to meet the needs of society, and society helps individuals attain their goals. Recent research cites socio-psychological drivers as sources of consumers' status-related desire for consumption (Dubois, Jung, and Ordabayeva, 2021). Consistently, we seek to understand the role of socio-psychological drivers in ethical luxury consumption, by investigating the roles of human values (abstract level) and purchase motivations (concrete level). Human values constitute relatively abstract determinants of human behaviors, whereas

purchase motivations are concrete determinants. We provide reasons for our choice of these two socio-psychological drivers and the related research questions next.

Human Values. Human values, defined as “(1) concepts or beliefs that (2) pertain to desirable end-states or behaviors, (3) transcend specific situations, (4) guide selection or evaluation of behavior and events, and (5) are ordered by relative importance” (Schwartz, 1992, p. 4; Schwartz and Bilsky, 1987, p. 551), are an aspect of personality and important determinants of behavior (Schwartz, 2011). We present a conceptual framework for human values, then turn to previous research to outline the relationships between human values and luxury consumption and between human values and ethical behavior. Finally, we propose a research question about the relationship between human values and ethical and ethical luxury consumption by luxury consumers.

Schwartz’s (1992) theory of human values offers a systematic view on the relationship between human values and behavior. In this model, each value represents a goal that is desirable, stems from one of the universal human needs, and motivates a specific individual behavior. The theory identifies 19 human value types, forming four higher-order values across two dimensions; it also notes the compatibilities and conflicts across values. Whereas conflicting human values appear opposite each other, compatible human values appear adjacent in the circumplex depiction of this model (Pepper, Jackson, and Uzzell, 2009). The human values adjacent to each other are complementary, evoking similar motivational goals; values located opposite to each other reflect potentially conflicting motivational goals.

According to the theory of human values (Schwartz, 1992), the four higher-order human values (that form two dimensions) are self-enhancement–self-transcendence (first dimension) and openness to change–conservation (second dimension). The former dimension describes whether a person is motivated to promote personal interests at the expense of others or else motivated to go beyond selfish concerns and think and promote the welfare of others (Dobewall

and Strack, 2014; Verkasalo et al., 2009). Accordingly, self-transcendence is related to universalism-concern, universalism-tolerance, benevolence-care, and benevolence-dependability. Self-enhancement instead is related to achievement, power dominance, and power resources. Then the latter dimension describes whether a person is ready for new experiences and emphasizes the value of action and thought or else is opposed to change and puts emphasis on order and self-restriction (Dobewall and Strack, 2014; Verkasalo et al., 2009). In turn, conservation is related to personal security, societal security, and tradition, whereas openness to change is related to self-directed thought, self-directed action, stimulation, and hedonism (Schwartz, 1992, pp. 43–44).

Previous research on ethics includes human values. For example, the more importance a person attaches to conservation relative to openness to change, the more likely he or she is to be idealistic, which implies more negative evaluations of ethically questionable behaviors. In addition, the more importance a person attaches to self-enhancement relative to self-transcendence, the less likely she or he is to hold idealistic values (Steenhaut and van Kenhove, 2006). According to recent research, along the openness to change–conservation dimension, socially conscious purchasing relates positively to security, and frugality relates positively to tradition and conformity. Socially conscious purchasing and frugality thus align with conservation. Along the self-enhancement–self-transcendence dimension, socially conscious purchasing is related positively with universalism and benevolence, and frugality is related positively with universalism. These behaviors thus align with self-transcendence. (Pepper, Jackson, and Uzzell, 2009).

In studies of the relationship between human values and luxury consumption (Janssen et al., 2014; Torelli, Monga, and Kaikati, 2012), we find evidence that luxury consumption tends to be associated with conspicuousness (Han, Nunes, and Drèze, 2010), hedonism (Hagtvedt and Patrick, 2009), and success (Mandel, Petrova, and Cialdini, 2006). These factors

signal self-enhancement, in that they imply an emphasis on consumers' own interests and well-being. Yet luxury consumption also can be linked to notions of tradition, craftsmanship, art, creativity, respect for materials, quality, and timelessness (Kapferer, 1998; Kapferer and Bastien, 2009; Vigneron and Johnson, 2004), which would seem more compatible with self-transcendence (Schwartz, 1992). Although this collection of findings does not support a clear prediction about which human values, in what combinations, may be more predictive of ethical luxury consumption, we can ask:

RQ3: Which dimensions of human values are salient when luxury consumers engage in ethical and ethical luxury consumption, and how do these dimensions of human values differ for various types of luxury consumers?

Purchase Motivations. Human behaviors are goal driven and intentional, performed as a means toward an end (Bagozzi and Dholakia, 1999). Motivations represent the concrete reasons for people's goals, intentions, and behaviors (Baumeister, 2016). According to reason-based choice theory, people strive to find reasons to resolve conflicts, and they also assign more weight to positive attributes when making a choice but more weight to negative attributes when rejecting a choice (Shafir, 1993). Understanding the specific motivations that drive human behaviors thus can help predict people's decisions (Mercier and Sperber, 2011), including those for ethical luxury consumption.

Extensive research confirms the relationship between individual motivations and ethical behavior. Intentions to engage in luxury consumption stem mainly from various socio-psychological motivations (Dubois, Jung, and Ordabayeva, 2021). By definition, the use and display of luxury goods provides an owner with prestige, beyond the functional utility of the goods (Grossman and Shapiro, 1988), so the primary motivation of luxury consumption is to gain status (Han, Nunes, and Drèze, 2010). Luxury consumption also might be driven by

motivations to please or express oneself, enhance self-concepts, and signal uniqueness (Ahuvia, 2005; Eastman and Eastman, 2011).

The motivation to engage in ethical consumption instead is a function of consumers' ethical awareness, concern, and action (Freestone and McGoldrick, 2008). As noted previously, Amatulli, De Angelis, and Stoppani (2021) find that consumers are more willing to book a room when a hotel's marketing communication focuses on environmental sustainability (versus customer service), and they also reveal that this effect is greater when consumers express higher levels of environmental concern. However, the actual consumption of ethical products is not always motivated by ethical or morality concerns (Eckhardt, Belk, and Devinney, 2010); the effect of morality on ethical consumption even appears overstated (Devinney, Auger, and Eckhardt, 2010), in that multiple motivations drive consumers to engage in ethical consumption (Davies and Gutsche, 2016). Research suggests that consumers engage in ethical behavior for many different reasons or with many different motivations, including egocentric and altruistic motivations such as perceptions about positive influences on their self-identity and health or on the lives of others (Carrigan, Szmigin, and Wright, 2004). Barbarossa and De Pelsmacker (2016) offer empirical evidence of the influence of various egocentric and altruistic motives on purchases of ecofriendly products. Overall, ethical purchases can be both altruistic and self-restorative or beneficial for the consumer (Trudel et al., 2020).

These egocentric and altruistic motivations, for or against ethical consumption, appear together with some additional motivations in Burke, Eckert, and Davis's (2014) study. They identify 12 specific reasons for ethical consumption (fit with peers, impact, location, leadership, savings, quality, healthiness, identity, relevance, status, innovativeness, and information) and 13 specific reasons against ethical consumption (risk, packaging, non-beneficial, skepticism, carefree, indifference, availability in other stores, confusion, quality, price, stigma, and overload). For luxury consumption, egocentric motives such as status seem dominant, but for

ethical consumption, both altruistic and egocentric motives may be relevant. Thus it is difficult to predict which motivations are most relevant for ethical luxury consumption, leading us to pose the following question:

RQ4: What motivations are salient for luxury consumers who engage in ethical and ethical luxury consumption, and how do these motivations differ across various types of luxury consumers?

Structural Drivers

The social structure refers to the patterns that define how a society is organized (Barkan, 2012), such as roles, social networks, groups and organizations, and social institutions within a society. People need structure and organization to live their lives, as are provided by structures established within society. In turn, by organizing people's social lives, social structures provide a foundation for their assumptive world, defined as the fundamental assumptions and expectations that people develop about themselves and the world (Epstein, 2003; Janoff-Bulman, 1992; Rimé, 2005). Such structural drivers also might underlie consumers' status-related desire for consumption (Dubois, Jung, and Ordabayeva, 2021), so we investigate how consumers' assumptive world, as a structural driver that offers a stable conceptual system that imposes a sense of order on a chaotic world (Rimé, 2005), influences ethical luxury consumption.

In detail, the way people perceive the world influences their behavior (Epstein, 1973, 1994; Janssen and Vanhamme, 2015). Their fundamental assumptions and expectations include beliefs about whether the world is a benevolent and safe place, in which people are generally good, kind, helpful, and caring, as well as whether they regard events as logical instead of random. For example, people expect misfortune only to affect bad people, underestimate the influence of external factors, or believe that most people are good, capable, decent, and moral (Rimé, 2005). Consistent with this view, a just world theory predicts that people in general

believe the world is fair, and that they receive the punishment or reward they deserve (Lerner, 1980; Lerner and Miller, 1978). A world assumption scale provides a measure of individual perceptions of benevolence, negative self-worth, randomness, self-controllability, justice controllability, and luck (van Bruggen et al., 2018).

Despite their prevalence, such assumptions are illusions (Janoff-Bulman, 1992; Rimé, 2005). The world is not benevolent and meaningful, people are not worthy, and bad things can happen to anyone at any time. However, the illusions also are adaptive, in that they allow people to view the world as a stable and orderly place, eliciting positive emotions, trust, and confidence in the environment. Such views are necessary to engage in day-to-day or new behaviors and to commit to long-term goals (Janoff-Bulman, 1992). Without such (or with less) positive assumptions, people experience continuous anxiety, because a stable conceptual system is required to impose a sense of order on a chaotic world (Rimé, 2005). Previous research notes the importance of considering people's assumptive world, which they use to perceive stability and structure in the world; we posit it also might affect their ethical luxury consumption.

Ethical consumption reminds consumers that the world is chaotic, not benevolent or just, and that consumers themselves are responsible for (some) ethical concerns, which further signals they are not that completely good (lowers self-worth) (Janssen and Vanhamme, 2015; White, MacDonnell, and Ellard, 2012). For example, consumers purchase fair trade products if they sense an opportunity to help and believe their aid offers strong potential to restore justice (White, MacDonnell, and Ellard, 2012). If this justice restoration potential is low or uncertain though, they are less likely to purchase fair trade products. Furthermore, social exclusion, which might cause a person to perceive the world as less just, prompts people to behave unethically. Consumers in turn tend to embrace pro-self motives (e.g., cheating to gain a reward, stealing from an employer; Kouchaki and Wareham, 2015) or pro-group (Thau et al., 2015) motives,

depending on the physiological arousal sparked by a threat (Kouchaki and Wareham, 2015) or their need for inclusion (Thau et al., 2015).

Research on luxury consumption indicates the importance of threats to consumers' sense of the meaning of life, which may disrupt their assumptive world. In a meaning maintenance model, people adopt meaning frameworks that reflect relationships among elements in the external world, as well as between the external world and themselves (Heine, Proulx, and Vohs, 2006), in ways that suggest their lives are meaningful and valuable. Common meaning frameworks include relational structures based in certainty, affiliation, self-esteem, or symbolic immortality. When people suffer challenges to their self-esteem (Tesser, 2000), the certainty of their beliefs (Heine, Proulx, and Vohs, 2006), or their relationships with others (White, Argo, and Sengupta, 2012), it also threatens their meaning frameworks, similar to the threats evoked by economic volatility, environmental issues, terrorism, or pandemics. For example, consumers who have been reminded of death are more likely to engage in indulgent consumption (Ferraro, Shiv, and Bettman, 2005), increase their consumption (Mandel and Smeesters, 2008), and express more desire to accumulate wealth (Kasser and Sheldon, 2000). In short, consumers might engage in more unethical behavior when their assumptive world is threatened, as well as more luxury consumption. To determine how luxury consumers' assumptive world influences their engagement in both ethical and ethical luxury consumption, we consider specific influences stemming from perceptions of negative self-worth, benevolence, randomness, self-controllability, justice-controllability, and luck as structural drivers and ask:

RQ5: Do luxury consumers' assumptive world influence their engagement in ethical and ethical luxury consumption, and how do these influences differ across various types of luxury consumers?

METHODOLOGY

Sample

We recruited a sample with the help of Qualtrics Panel services, a private research firm that partners with scores of Web-based panel providers to supply diverse, quality respondents (<https://www.ncbi-nlm-nih-gov.eur.idm.oclc.org/pmc/articles/PMC5928332/>). The median age of the U.S. Web-based panel from which we sampled the respondents for this study is approximately 34 years; 62% are women; 88% have at least a high school degree; and in terms of ethnicity, 18% are Hispanic, 65% are White, and 16% are Black or African American. The panel is fairly representative of the U.S. population (<https://www.census.gov/quickfacts/fact/table/US/PST045219>), except with regard to gender, in that women are slightly more represented in the panel.

To account for the subjective, idiosyncratic meaning of luxury, we adopt Kapferer and Laurent's (2016, p. 339) recommendation that "research on luxury needs to analyze consumers' own perceptions, to ask respondents to answer on the basis of their own personal definition of luxury, rather than imposing a conceptual or operational definition on them, even if it comes from luxury managers or marketing gurus." Accordingly, we did not define luxury for the respondents and instead asked them whether they had bought a luxury item at least once in their lives. Those respondents who answered "yes" qualified to take the online survey (46% of respondents), such that 706 respondents are included in the sample of luxury consumers. We checked the demographics of these respondents against the descriptions of luxury consumers in Kapferer and Laurent's (2016) study, which used the Ipsos panel. Thus we get some idea of the extent to which our sample is representative of the population of U.S. luxury consumers. In our sample of luxury consumers, the mean age is 46 years (cf. 47 years in Kapferer and Laurent, 2016); 55% have a net household income above US\$50,000 per year (cf. median household income of US\$50,000 in Kapferer and Laurent, 2016); and 38% are men (48% in Kapferer and Laurent, 2016). Also, 65% of our luxury consumers went to college or university after high

school (Kapferer and Laurent, 2016, do not provide information on this variable). Thus, our sample of respondents is similar to that in Kapferer and Laurent's (2016) study, but again, it slightly overrepresents women.

Measures

We measured two variables, for both ethical and ethical luxury consumption, to support our clustering efforts: frequency of purchases of *ethical luxury* products and services and frequency of purchases of *ethical* products and services. Each variable was measured with two items on 7-point Likert scales, ranging from "never" to "always": "How often do you usually buy ethical/ethical luxury products?" and "How often do you usually buy ethical/ethical luxury services?" We defined ethical offerings as those "made with minimal harm to humans, animals, and the natural environment."

Next, to establish the profiles of luxury consumers, as specified in our RQs, we identified their age (RQ1). For assessing RQ2, we administered the ethics position questionnaire (Forsythe, 1980), which uses a 7-point Likert scale to measure ethical ideologies at the abstract level. The ethics position questionnaire includes items measuring idealism (e.g., people should make certain that their actions never intentionally harm other people, even to a small degree) and relativism (e.g., moral standards are simply personal rules, which indicate how a person should behave and are not to be applied in making judgments of others). We also included the updated consumer ethics scale (CES) dimensions, which deal with avoiding wrong doing (Vitell and Muncy, 1992, 2005), to test for the effect of consumer ethicality at a concrete level. The original CES (Vitell and Muncy, 1992) has been used widely in consumer ethics research; it is one of the most comprehensive systematic taxonomies available (Mitchell et al., 2009). It lists four concrete, ethically questionable consumer activities, as noted in the theory section: ACT (e.g., returning damaged goods when the damage was the consumer's own fault), PAS (e.g., lying about a child's age to get a lower price), QUEST (e.g., stretching the truth on

an income tax return), and NOH (e.g., installing software on a computer without buying it). Respondents agree or disagree with the revised items and wording of the original scale provided by Vitell and Muncy (2005), on 5-point Likert scales.

To test for human values (RQ3), we used a 57-item measurement instrument (Schwartz et al., 2012), which includes 19 human values. They tap the higher-order values, which in turn form two dimensions: self-transcendence versus self-enhancement, and openness to change versus conservation. Respondents evaluate how much a person described in the 57 statements is, or is not, like them on a 6-point Likert scale from “Not at all like me” to “Very much like me” (e.g., “It is important to him/her to form his/her views independently”; “It is important to him/her that his/her country is secure and stable”; “It is important to him/her to care for nature”).

To measure purchase motivations for ethical and ethical luxury products and services (RQ4), we used the 25 criteria proposed by Burke, Eckert, and Davis (2014) (e.g., “It helps me fit in with my peers”; “There is a monetary risk in trialing them”). People answered on 5-point Likert scales.

Finally, we employed the assumptive world scale (RQ5), which includes questions about negative self-worth (e.g., “I have reason to be ashamed of my personal character”), benevolence (e.g., “The good things that happen in this world far outnumber the bad things”), randomness (e.g., “Bad events are distributed to people at random”), self-controllability (e.g., “I take the actions necessary to protect myself against misfortune”), justice-controllability (e.g., “By and large, good people get what they deserve in this world”), and luck (e.g., “I am basically a lucky person”) (van Bruggen et al., 2018). Respondents indicated their agreement with each statement on 6-point Likert scales.

Some other variables could exert influences, such as gender, attitudes toward luxury (e.g., “I do not know much about the luxury world,” 5-point Likert scale; Kapferer and Laurent, 2016), ownership of costly durables (or immersion in expensive durables, based on 11 product

categories adapted from Kapferer and Laurent, 2016), and the luxury consumer's perceived morality (7-point semantic Likert scale, e.g., moral–immoral, good–bad; Berman et al., 2015). We included questions related to these variables. We also asked the luxury consumers to state how frequently they purchased luxury offerings; to specify which luxury products or services they had purchased among 28 categories; and to indicate what percentage of their luxury purchases across these 28 categories involved ethical products and services. Appendix 1 includes all the measures.

ANALYSES AND RESULTS

Stage 1: Identifying Segments of Ethical Luxury Consumers

Clustering. With a cluster analysis, we attempt to identify segments of luxury consumers who differ in their habits for purchasing ethical products and services and ethical luxury products and services (we refer to products and services simply as “products” hereafter). We first confirmed that the clustering variables are not collinear (correlation < .7; shared variance below 50%). Then, to benefit from hierarchical and nonhierarchical clustering methods and increase the validity of the solution, we used both methods sequentially (Hair et al., 2018). The two-step hierarchical clustering method available in SPSS supports large sample sizes (>400), so we used this method to establish the most meaningful number of clusters and identify any potential outliers (Hair et al., 2018). This method uses sub-clusters identified in a pre-cluster step as input, then applies agglomerative hierarchical clustering to group the sub-clusters into the desired number of clusters. There are far fewer sub-clusters than original records, so this step enhances the effectiveness of traditional clustering methods.

We compared different solutions, ranging from three to five clusters, and determined the most appropriate number of clusters according to several criteria. First, the average silhouette width coefficient (range from -1 to 1) was .6 for both the three- and five-cluster solutions (.5 for the four-cluster solution), indicating good fit. Second, the largest to smallest

cluster size ratio was 3.59 for the three-cluster solution (one cluster was much larger than the other two clusters) and 1.98 for the five-cluster solution. Because the five-cluster solution ratio is below 3, it represents a good option. Third, compared with the three-cluster solution, the five-cluster solution splits the very dense second cluster into three distinct clusters. Fourth, with regard to the managerial interpretability of the solution (Hair et al., 1998), we consider the five clusters easily interpretable and meaningful. Cluster 1 ($N = 145$) consists of luxury consumers who do not purchase many ethical products ($M = 1.96$) or many ethical luxury products ($M = 1.55$). Cluster 2 ($N = 120$) includes luxury consumers who purchase many ethical products ($M = 4.88$) but not many ethical luxury products ($M = 2.05$). Three clusters differ in the intensity with which they purchase products, from moderate ($N = 128$; M ethical products = 3.38; M ethical luxury products = 3.09) to high ($N = 208$; M ethical products = 4.65; M ethical luxury products = 4.23) to extreme ($N = 105$; M ethical products = 6.29; M ethical luxury products = 6.31) levels.

Because we found no outliers in the first step, we clustered luxury consumers using K-means clustering (nonhierarchical); the cluster centers attained from the two-step clustering results represent initial seed points (Hair et al., 2018). This second step helps fine-tune the results. In terms of profiles, the results from the K-means clustering remain very similar, and less than 3% of the sample were clustered differently. These 3% of luxury consumers all move from Cluster 1 to Cluster 3 in the K-means clustering, but the results remain similar. Specifically, for Cluster 1, the mean ethical products and ethical luxury products values become 1.84 (cf. 1.96) and 1.43 (cf. 1.55), respectively, and it contains 125 respondents. For Cluster 3, the mean ethical products and ethical luxury products shift to 3.29 (cf. 3.38) and 2.98 (cf. 3.09), respectively, and it includes 148 luxury consumers.

Final Cluster Solution: Profiles of the Five Clusters. Table 1 reveals differences in the profiles across the five clusters of luxury consumers and their demographic profiles. Clusters

1, 3, 4, and 5 follow a continuously increasing trend in luxury purchases, ethical purchases, and ethical luxury purchases. We therefore label them light, medium, heavy, and extreme ethical and ethical luxury consumers.

INSERT table 1

Cluster 2 is very different. Clusters 1 and 2 do not differ in luxury purchases, in that they both contain light luxury consumers (buying luxury products rarely or very rarely; $M = 2.5$). However, they differ greatly in their purchases of ethical products. Cluster 2 buys ethical products more frequently than Cluster 1. It also tends to buy ethical luxury products slightly more frequently than Cluster 1, but this difference is not large. Thus, Cluster 2 includes heavy ethical and light ethical luxury consumers; it features the second highest frequency (after Cluster 5) of purchases of ethical products. These differences confirm the usefulness of a five-cluster solution. In solutions with three or four clusters, Cluster 2 simply does not emerge (i.e., in the three-cluster solution, Clusters 2, 3, and 4 form one cluster; in the four-cluster solution, Clusters 2 and 3 merge).

Stage 2: Differences across Clusters

Computing Scores for the Multi-item Independent Variables. Because RQ2 involves multi-items scales, we first test their reliability and aggregate the respective items. All four dimensions of consumer ethical beliefs are reliable: ACT, five items, $\alpha = .910$; PAS, six items, $\alpha = .894$; QUEST, five items, $\alpha = .864$; and NOH, five items, $\alpha = .753$. We also confirm the reliability of idealism (eight items, $\alpha = .866$) and relativism (ten items, $\alpha = .863$),

For RQ3, we followed Schwartz et al. (2012) and Schwartz and Butenko (2014) and computed four higher-order values (self-transcendence, self-enhancement, openness to change, and conservation). In detail, we first calculated the scores for the 19 human values by taking the means of the items, then computed the four higher-order values. All the variables are

reliable, with Cronbach's alpha values that exceed .8. Next, we determine each individual's mean rating (MRAT) across all 57 value items, which we subtract from each of the higher-order value scores to center the scores of each value around an individual respondent's MRAT (Schwartz, 2020). Similar to previous studies (e.g., Berzonsky et al., 2011; Dobewall and Strack, 2014; Lönnqvist and Itkonen, 2016; Lönnqvist, Leikas, and Verkasalo, 2018; Rudnev and Vauclair, 2018; Verkasalo et al., 2009), we then computed two higher-order value dimension scores at the individual level: an openness-to-change versus conservation score and a self-transcendence versus self-enhancement score. To obtain these scores, we ran a factor analysis of the four higher-order values, with Varimax rotation. As expected, two factors emerged. The first factor opposes self-transcendence (loading .900) and self-enhancement (loading -.942); the second opposes openness to change (factor loading .883) and conservation (factor loading -.907). With the respondents' factor scores, we thus obtained the two value dimension scores (i.e., the self-transcendence versus self-enhancement dimension score and the openness-to-change versus conservation dimension score). By using these two value dimension scores, rather than four separate variables, we can determine the relative importance of two values that reflect opposing associations. Each respondent's score on the self-transcendence versus self-enhancement (openness-to-change vs. conservation) dimension summarizes her or his relative position in relation to the higher-order values of self-transcendence and self-enhancement (openness-to-change and conservation). The two value dimensions reflect different motivational goals stemming from basic values, as well as two pertinent conflicts that organize the entire value system. The openness-to-change versus conservation dimension indicates a person's readiness to have new experiences and taste for action and thought or else the person's opposition to change and taste for order and self-restriction. The self-transcendence versus self-enhancement dimension reveals a person's motivation to go beyond selfish concerns and promote the welfare of others, or else to promote her or his own interests, even at the

expense of others. Verkasalo et al. (2009) establish that the use of two value dimensions offers important advantages over individual basic values (e.g., parsimony when groups of people are compared). To assess the robustness of the main conclusions, we replicated the analyses with the four higher-order values (see Appendix 2), which corroborate our findings regarding the clusters and personas.

For RQ4, we used all 25 single-item motivation measures as separate variables. To answer RQ5, we computed several facets: negative self-worth (three items, $\alpha = .867$), benevolence (six items, $\alpha = .899$), justice controllability (eight items, $\alpha = .879$), randomness (four items, $\alpha = .749$), self-controllability (four items, $\alpha = .797$), and luck (four items, $\alpha = .849$).

Finally, we confirm that attitude toward luxury (three items, $\alpha = .866$) and the respondent's perceived morality (six items, $\alpha = .882$) are reliable. For ownership of costly durables, we counted how many expensive items respondents possessed in each of the pre-specified categories. The descriptive statistics for the study variables are in Table 2.

INSERT Table 2

Profiling Clusters: Discriminant Analysis. To determine which variables of interest account for the greatest differences in the profiles of the five clusters of luxury consumers, we conducted a discriminant analysis with the respondent's age (RQ1), idealism and relativism (RQ2), consumer ethics scale dimensions (ACT, PAS, QUEST, and NOH; RQ2), self-transcendence versus self enhancement and openness-to-change versus conservation (RQ3), motivations for purchasing or not purchasing ethical luxury items (RQ4), assumptive world (negative self-worth, benevolence, justice controllability, randomness, self-controllability, and luck; RQ5), the number of costly durables owned, gender, perceived morality, and attitude toward luxury as independent variables. The five clusters represent the dependent variable. With a stepwise method and the Mahalanobis D^2 measure, we evaluate the significance of the

overall model (Hair et al., 2018). The stepwise method selects the single best discriminating variable among independent variables, pairs it with each independent variable, and then identifies the independent variable that best improves the discriminatory power of the discriminant function (in combination with the previous variable). If an independent variable does not contribute significantly to further discrimination, this variable is not included in the model. The percentage of variance explained by each discriminant function provides a measure of its explanatory power.

The full model is satisfactory. The analysis suggests retaining 14 variables, tapping into our three drivers, and reveals four discriminant functions (Table 3, f1, f2, f3, and f4). The four functions explain (1) 73.8%, (2) 11.7%, (3) 8.3%, and (4) 6.2% of the variance, respectively. Using these four functions, all clusters differ significantly from one another (pairwise comparisons significant at $p = .001$). Overall classification accuracy is 46.6%, which is above chance, as well as above the maximum chance criterion (36.8%) and the proportional chance criterion (26.5%) (Hair et al., 2018). However, the correct classification varies across the five clusters. For example, Cluster 5 achieves the greatest accuracy (65.7%), followed by Cluster 4 (60.6%), Cluster 1 (40.8%), and Cluster 3 (31.8%); the least well classified (but still acceptable) Cluster 2 achieves 30.0% accuracy. The cross-validation analysis (Hair et al., 2018) produces similar results, indicating overall classification accuracy of 43.5% (Clusters 1 to 5: 38.4%, 28.3%, 27.4%, 57.2%, and 62.9%, respectively).

INSERT Table 3

Interpretation of the Discriminant Functions

By analyzing the structure matrix, which represents correlations between the independent variables and the dimensions created with the unobserved discriminant functions, we can identify variables that contribute most to discriminating the groups (Table 3). When the

rotated (Varimax) loadings exceed approximately .40, they are considered substantive (Hair et al., 2018).

First Discriminant Function: Immorality, Ego-orientation, and Strain. Function 1 is a combination of all three drivers and relates mostly to luxury consumers' ethicality (biological driver; RQ2), purchase motivations (socio-psychological driver; RQ4), and assumptive world (structural driver; RQ5). Specifically, egocentric motivations to consume luxury (i.e., perception that ethical luxury grants status as an opinion leader and creates a positive identity; RQ4), unhappiness with the self (negative self-worth perception; RQ5), and psychological stressors due to a lack of serenity (acute perception of the randomness of the world; RQ5) all have positive associations with Function 1. This function also links to luxury consumers' poor level of ethicality (CES ACT, belief that actively benefiting from illegal activities is appropriate; RQ2).

Despite not being included in the discriminant function (due to correlations with similar variables), self-transcendence versus self-enhancement (RQ3), status (RQ4), and fit with peers (RQ4) also are significantly discriminating. Their significant Wilks Lambda values indicate the univariate effect of the variables (Hair et al., 2018); they have a high loading on this first discriminant function (-.507, .567, and .538, respectively), high potency indexes (.198, .252 and .227, respectively), and strong fit with the egocentric facet of Function 1 (the high and negative loading on the self-transcendence versus self-enhancement dimension indicates the self-enhancement extreme). In addition, CES PAS and CES QUEST, with loadings of .478 and .434 and potency indexes of .172 and .147, respectively, reinforce the idea of poor ethicality. Relativism, with a loading of .324 and potency index of .084, is associated positively and significantly with CES ACT, CES PAS, and CES QUEST, which explains why we do not retain it for this discriminant function. It thus seems that the more concrete measures of ethicality

(CES scale) and determinants of human behaviors (purchase motivations) better distinguish the luxury consumer clusters.

Function 1, which explains the most variance, captures ethical luxury purchases prompted by purchase motivations (e.g., status) and a shattered assumptive world (e.g., lack of serenity, psychological stress) located in the ego mind space (Reisz, 2018). Reisz (2018) argues that luxury purchases rooted in greed and fear reflect a feeling of emptiness and need for external approval. This discriminant function signals the notion that luxury creates a feeling of not being worthy. Cloutier (2015) similarly describes luxury as a terrible, neglected vice that threatens happiness (i.e., material improvement gives a fleeting sense of satisfaction, but constantly requires more to maintain the feeling of satisfaction, thereby increasing the speed of the “hedonic treadmill”). In this sense, Function 1 corroborates previous findings that suggest consumers engage in more unethical behavior and more luxury consumption simultaneously when their assumptive world is threatened or shattered (e.g., Ferraro, Shiv, and Bettman, 2005; Kasser and Sheldon, 2000). Briefly, the variables that significantly contribute to Function 1 are positively related to egocentric motivations and strain, originating in the shattered assumptive world, but negatively related to ethicality.

Second Discriminant Function: Altruistic-orientation. Function 2 relates mostly to purchase motivations (RQ4), characterized by variables that imply positive societal associations of ethical luxury (make a difference [impact], care about ethical issues [relevance]). This function reflects another view of luxury proposed by Reisz (2018), related to the heart space. In this view, consuming high quality luxury occurs not for the sake of the ego or to fill emptiness but rather as a means to do something “good,” without ego motivation. Unlike Function 1, Function 2 is tension free, with no connection to a shattered assumptive world (RQ5). The variables that contribute to Function 2 with high loadings are being informed about ethical luxury (information), making a difference (impact), and caring about issues (relevance), all of

which relate to purchase motivations. Another variable in this function, ownership of costly durables, shows a very low loading (.289) and also loads (weakly) on Function 4 (.219). Thus, it is not clear how to interpret this result.

Third Discriminant Function: Conservation, in Control, and Positivity. Function 3 is characterized mainly by human values (RQ3) and positive perceptions of the world and people (RQ5). The defining variables include the conservation side of the openness-to-change versus conservation dimension (e.g., conformism, respect for traditions; RQ3), perceived benevolence of the world and people (RQ5), and perceptions that people control their own destiny (self-controllability, RQ5). Luck also exhibits a high loading on this discriminant function, though it does not contribute significantly to it. Unlike Function 1, Function 3 is characterized by a strong positivity bias, signaling a belief in the goodness of people and the world and perceived control, along with a strong attachment to traditions and conformity values.

Fourth Discriminant Function: Youth and Luxury Savvy. The last discriminant Function 4 mainly pertains to age, with a negative loading, and a positive attitude toward luxury. This function tends to distinguish younger from older luxury consumers and those who are savvy about luxury.

Summary. The analysis of the discriminant functions establishes that all the variables we consider can differentiate various segments of luxury consumers, at least to some extent. Specifically, age (RQ1) contributes to the fourth discriminant function; (poor) consumer ethicality (RQ2), particularly the lower-level of abstraction variables, defines discriminant Function 1; human values (RQ3) contribute to the third discriminant function; purchase motivations (RQ4) contribute significantly to the two first discriminant functions; and luxury consumers' assumptive world (RQ5) contributes to discriminant Functions 1 and 3. The variables that offer the greatest explanatory power, in terms of differences across clusters of luxury consumers, reflect consumers' ethicality (RQ2), purchase motivations (RQ4), and

assumptive worlds (RQ5). These variables contribute to the first discriminant function, which explains the most variation in the scores, and these variables have the highest potency indices. The least powerful explanatory variable is age (RQ1).

Differences across Luxury Consumer Segments

The next step in the analysis is to examine how the discriminant functions differentiate segments of luxury consumers (see Figure 1). An analysis of the loadings of the cluster centroids (Figure 1) on the four discriminant functions highlights that luxury consumers in Cluster 1 (light ethical and ethical luxury consumers) are best characterized by their negative association with the altruistic orientation (i.e., discriminant Function 2). To some extent, they also are characterized by negative associations with immorality, ego-orientation, and strain (discriminant Function 1).

INSERT Figure 1

Cluster 2 (heavy ethical and light ethical luxury consumers) includes consumers mostly characterized by their negative associations with immorality, ego-orientation, and strain (Function 1), as well as youth and luxury savvy (Function 4). Then Cluster 3 (medium ethical and ethical luxury consumers) features those who have negative associations with the conservation, in-control, and positivity function (Function 3) and, to a lesser extent, with the altruistic-orientation function (Function 2). In Cluster 4 (heavy ethical and ethical luxury consumers), we find luxury consumers who can best be described by their positive association with Function 2, or altruistic-orientation, and Function 4, or youth and luxury savvy. Finally, Cluster 5 (extreme ethical and ethical luxury consumers) reflects Functions 1, 2, and 3 the most. These consumers display high levels of ambivalence; they are anxious about the surrounding world but also have a positivity bias. They are driven by ego and egocentric motivations, but they feel they are not worthy, even while they appear socially committed and altruistic-oriented.

Mean Differences across Clusters

As represented in Figure 2, Cluster 5 (extreme ethical and ethical luxury) differs notably from all other clusters, with the lowest score for age (Panel d) and the highest scores on all other variables (except openness-to-change vs. conservation [Panel c], for which Cluster 5 scores as low as Clusters 1 and 2). These notable differences from the other clusters stem from its scores on age (Panel d), ethicality (Panel a), purchase motivations (Panel b), and assumptive world (Panels a and c). Cluster 5 also reveals the most ambivalence; luxury consumers in this cluster embrace conflicting facets (e.g., immorality, unhappiness with oneself, strain, together with altruistic orientation, positivity bias for the goodness of people, and ability to be in control). Together with Cluster 4, Cluster 5 includes the most luxury-savvy consumers (Panel d).

INSERT Figure 2

The second most altruistic-oriented (i.e., socially committed) group of luxury consumers, Cluster 4 (heavy ethical and ethical luxury), seeks to make a difference (impact), cares about ethical issues (relevance), and is involved in and well-informed about ethical luxury products (information) (Panel b). These variables tap into purchase motivations (RQ4). Together with Cluster 5, Cluster 4 features the youngest and most luxury-savvy consumers. In contrast, Cluster 3 (medium) exhibits very low perceptions of self-worth (Panel a) and the benevolence of people and the world (Panel c). These variables relate to consumers' assumptive world (RQ5).

Both Clusters 1 (light ethical and ethical luxury) and 2 (heavy ethical and light ethical luxury,) score significantly lower than the other clusters on the variables contained in discriminant Function 1 (immorality, ego-centric-orientation, and strain), except for randomness, for which they only differ with Cluster 5 (Panel a). In addition, Cluster 1 scores lowest on variables tapping into commitment and interest in ethical issues (i.e., least informed about ethical luxury [information], care least about ethical issues [relevance], least interested in trying to make a difference [impact]) (Panel b), as well as the openness-to-change versus

conservation dimension (most conservative, Panel c). Clusters 1 and 2 vary greatly from the others in terms of ethicality, human values, purchase motivations, and assumptive world (RQ2, 3, 4, and 5). Cluster 2 also can be differentiated by age (older, RQ1), emphasizing the importance of considering this factor to discriminate segments of luxury consumers (Panel d). Table 4 summarizes all five profiles of luxury consumers, reflecting our analysis of the cluster loadings on the discriminant functions and the mean scores per cluster on the variables that contribute to the discriminant functions.

INSERT Table 4

Finally, further consideration of age (RQ1) reveals that clusters representing the youngest consumers engage in the most ethical luxury consumption. Cluster 5 is both younger than the other clusters (pairwise comparisons with Clusters 1, 2, and 3 are significant at .05; n.s. for Cluster 4) and the heaviest consumer of ethical luxury (pairwise comparisons significant at .001). The second youngest cluster is Cluster 4 (pairwise comparisons with Clusters 1 and 2 are significant at .001; n.s. for Clusters 3 and 5); it also is the second heaviest consumer of ethical luxury (pairwise comparisons with Clusters 1, 2, and 3 significant at .001). Clusters 1 and 2 are the oldest (pairwise comparisons with Clusters 3, 4, and 5 significant at .001) and consume ethical luxury products significantly less frequently than any other cluster (pairwise comparisons with Clusters 3, 4, and 5 significant at .001).

Stage 3: Crafting and Assessing Luxury Consumers' Personas

Personas are fictitious characters that individually can represent a segment of likely consumers (Brangier and Bornet, 2011); in developing a persona, we provide a detailed profile of a hypothetical target consumer of an offering, imagined in terms of various characteristic (demographic, psychographic, geographic), attitudinal (beliefs, desires, intentions), and behavioral (preferences, buying patterns, decision biases) information (Kotler and Keller, 2016). In turn, persona-focused storytelling can facilitate branding, in that storytelling, as a

well-known, ancient art form, aids memory and provides a means to make sense of the world (Herskovitz and Crystal, 2010).

From our results, we derive five personas that represent the identified clusters (Table 5). Sarah (Cluster 1), along with Ashley (Cluster 3) and Caroline (Cluster 2), are occasional consumers of affordable luxury products. Caroline stands out as being more interested in ethical products than in luxury. Sarah and Ashley care less about making a positive ethical impact through their consumption. Then Gail (Cluster 4) and Tom (Cluster 5) truly engage in ethical luxury consumption, animated by their desire to exert a positive ethical impact through their purchases, and they accept paying high prices. These two consumers embody the altruistic-orientation. They also represent the greatest potential for luxury firms seeking to foster long-term sustainability (in the sense of the Brundtland definition, WCED, 1987), because the most value can be created through these two personas (alternatively, the least value will be destroyed through them). Firms can profitably meet their needs in the short term without jeopardizing the ability of future generations to meet their needs. Targeting these consumer segments would allow luxury firms to achieve eco-efficiency (doing more with less, causing less harm) or eco-effectiveness (100% goodness in using resources, Barbiroli, 2006).

INSERT Table 5

Targeting the other clusters in a sustainable fashion is more challenging though. Many luxury firms, often owned by large conglomerates, seek greater growth and adopt massification strategies, such that they prioritize economic aspects (Gardetti, 2014). That is, the firms actively trade off price and volume (or profit and market share) to maximize returns. In turn, they attempt to achieve low prices to appeal to consumers who expect luxury offerings for a lower cost. Their cost-cutting practices might include the use of undocumented workers or child labor—unethical practices that conflict with ethical and sustainability goals. In terms of the personas we identify, Sarah and Ashley are more price-sensitive and less guided by ethical

motives in their purchase behaviors, so if a luxury firm primarily targets them, it might find itself entering this vicious cycle. Furthermore, if they target Sarah and Ashley with low-priced offers, luxury firms likely cannot generate sufficient resources to pursue eco-effectiveness in the long run. We list more specific managerial recommendations for the personas in the next section.

DISCUSSION

By empirically identifying different types and characteristics of luxury consumers who engage in ethical and ethical luxury consumers, we derive several theoretical contributions. The insights gained can be used to guide long-term sustainability efforts in luxury markets too. We conclude with some research limitations and opportunities for further research.

Theoretical Contributions

Our findings inform ethical, luxury, and ethical luxury consumption literature in several ways. First, most studies of ethics and luxury consumption (e.g., Davies, Lee, and Ahonkhai, 2012) include averaged responses from various consumers, which can hide potential differences across consumer segments. We investigate luxury consumers specifically to determine the extent to which they engage in ethical and ethical luxury consumption. Thus, we can differentiate those who engage in luxury consumption but less ethical or ethical luxury consumption; consumers who engage in ethical consumption but less ethical luxury consumption; and those who engage in both ethical and ethical luxury consumption (from medium to extreme levels). We know of no other studies that explicitly identify these different segments of luxury consumers, according to the degrees of their ethical and ethical luxury consumption. With this contribution, we thus address Athwal et al.'s (2019) call to examine the fragmented, diverse group of luxury consumers of ethical luxury in more detail, to bring to light both their characteristics and their diversity.

Second, we extend the model of the biological, socio-psychological, and structural drivers of luxury consumption (Dubois, Jung, Ordabayeva, 2021) and demonstrate that it applies to predict luxury consumers' intentions to engage in ethical and ethical luxury consumption too. We include consumers' age and ethicality as biological drivers, human values and purchase motivations as socio-psychological drivers, and assumptive world as a structural driver. To the best of our knowledge, this study is the first to treat these variables as drivers of ethical and ethical luxury consumption by luxury consumers, such that we provide initial evidence that the five clusters of luxury consumers differ in the extent to which they exhibit varying combinations of biological, socio-psychological, and structural drivers.

Third, our comprehensive approach clarifies previous, conflicting evidence about the relationships of luxury consumers' age, ethicality, human values, purchase motivations, and assumptive world with their ethical or ethical luxury consumption. In particular, we establish that for some consumers (e.g., Caroline), age has a positive effect, but for others (e.g., Tom), it has a negative effect on ethical or ethical luxury consumption. Moreover, with regard to ethicality, we again can explain conflicting prior results, by specifying that some luxury consumer segments fail to reject questionable behaviors (e.g., Tom), but others (e.g., Sarah, Caroline) do not fit this description. In terms of purchase motivations, our findings help explain that luxury consumers might engage in ethical and ethical luxury consumption with altruistic motivations (e.g., Sarah) or with a combination of ego-centric and altruistic motivations (e.g., Tom). Finally, we contribute to research into the effects of a threatened assumptive world by showing that luxury segments with the most shattered assumptions about their self-worth (e.g., Tom) engage the most in luxury consumption and ethical luxury consumption, but this reaction is not necessarily likely among other segments of luxury consumers. For example, Ashley's assumptive world is more shattered than that of Gail, but Gail is a heavier consumer of ethical and ethical luxury products than Ashley is.

Fourth, the five personas we identify contribute to existing literature, by defining how the different personas engage in ethical and ethical luxury consumption to various extents, depending on biological, socio-psychological, and structural drivers. The identified differences across these personas in turn offer insights for how luxury firms can make trade-offs to achieve eco-effective solutions (Barbiroli, 2006) and long-term sustainability. Traditionally, luxury firms targeted the happy few, but this strategy did not support strong growth in the luxury sector, which became a concern. Thus the luxury sector contrived new strategies, such as developing relatively affordable, small accessories that feature the luxury brand logos. This strategy increased sales (Kapferer and Laurent, 2016) and broadened the consumer base to include the happy many (Dubois and Laurent, 1998)—that is, occasional consumers who do not need to be wealthy to purchase products from luxury brands. Critics of this business model assert that:

Large old luxury brands have managed to be everywhere ... driving massive revenue by luring people into their so-called brand universe. The truth is, luxury has become a greedy, massive industry, with a handful of large conglomerate players on top, eating up every small innovative brand out there. Hidden from public eyes they conduct the luxury business on the principles of massive profit growth instead of meticulous craftsmanship by hand (Reisz, 2018, p. 7).

Among our personas, Sarah, along with Ashley and Caroline, represent this group of occasional consumers who seek affordable luxury. Gail and Tom, however, embody the altruistic-orientation, and they reflect the increasing number of luxury consumers who actively seek ethical and sustainable luxury products.

Managerial and Ethical Implications

The five consumer segments suggest specific strategic opportunities for luxury firms. Luxury firms should adopt different positioning strategies for various products within their portfolios and consider different business models to serve each consumer persona. Gail and

Tom are of particular interest. To appeal to them, luxury firms can highlight the quality of their offerings but also their efforts to contribute to social, economic, and ecological problems (Haigh and Hoffman, 2012; Schaltegger, Beckmann, and Hockerts, 2018). Firms that pursue this competitive advantage might function like sustainable entrepreneurs, which seek to overcome and reconcile the conventional trade-offs between social or economic concerns with economic objectives (Haigh et al., 2015). That is, they aim to go beyond eco- and socio-efficiency and strive to achieve eco- and socio-effectiveness (Dyllick and Hockerts, 2002), in which case industry, economy, and society are regenerative and society is inclusive.

Such sustainable entrepreneurial luxury firms should focus on Gail and Tom, who represent 29% and 15% of luxury consumers in our study, have the highest purchasing power (Table 1), and reflect a continuum (heavy, Cluster 4, Gail; extreme, Cluster 5, Tom) in terms of their consumption of ethical luxury. The more frequently Gail and Tom consume ethical luxury, the more they are willing to pay, with median prices of their most luxurious product at \$900 and \$1,000, respectively (Table 1). Taking each cluster's relative size into account (Table 1), we also can calculate that Cluster 4 achieves the highest relative value (\$265.16), and Cluster 5 ranks second (\$148.73). However, attracting Gail and Tom would require different approaches and marketing communications, according to each persona's alignment with the four discriminant functions. Tom represents consumers who experience contradictions and internal tensions: They have negative self-worth perceptions but also express faith in the goodness of people and the world; they are simultaneously ego-centric and altruistic in their motivations to purchase ethical luxury. In contrast, Gail represents consumers who are less ego-oriented and do not suffer from a shattered assumptive world. Therefore, luxury firms might emphasize ego and ethical aspects of their product lines to target Tom, but they probably should downplay ego aspects when targeting Gail. Emphasizing prestige and status would be more effective for Tom, in need of ego reassurance, than for Gail.

To attain long-term sustainability, luxury firms also need to be inclusive and make it possible for everyone to purchase ethical luxury, while still seeking eco-effectiveness. Sarah and Ashley want more for less; they might not be able to afford to pay high prices for luxury items. Sarah represents 18% of the luxury consumers in our study, who are light consumers of both ethical and ethical luxury products. Their relative value is the lowest, at \$88.53 (median price of their most luxurious product is “only” \$500; Cluster 1, Table 1). Ashley represents 21% of luxury consumers in our study and spends a median of \$700. The relative value (\$145) of her segment is slightly below that of Gail. However, pursuing growth through consumers like Sarah and Ashley would likely lead the firm to prioritize economic goals over environmental ones, unless it adopts alternative, more sustainable business models.

For example, a rental business model might make it possible to help Sarah and Ashley access luxury and ethical luxury products in a more sustainable way. In rental business models, consumers can access something expensive without having to pay the full price of ownership, by relying on use-oriented systems (Tukker, 2004) that deliver value through accessibility. The use-oriented systems emphasize use, rather than pure material products, as detailed in sustainability literature (Beuren, Ferreira, and Miguel, 2013; Reim, Parida, and Örtqvist, 2015), so they might provide luxury firms with a viable means to encourage more sustainable consumption. For Sarah and Ashley, who do not believe that buying ethical luxury products has a positive societal impact, emphasizing the ethicality of luxury offerings probably is not be as effective as emphasizing a good deal aspect. Rental solutions would enable them to consume luxury and ethical luxury at lower prices, but it also might nudge them toward doing the right thing. Even if they do not care about ethics, they still would be consuming luxury in a more sustainable (ethical) way.

The Caroline persona consists of heavy consumers of ethical products but light consumers of ethical luxury products. They represent 17% of the luxury consumers in our study

and pay a median price of \$650 for their most luxurious product (Table 1), with a relative value of \$110.48. Noting their relatively high purchasing power, luxury firms might want to target these consumers, but they would need to convince Caroline that ethical luxury products are worth purchasing by making them truly desirable. Yet Caroline likely sees ethical luxury as a contradiction (Achabou and Dekhili, 2013), so appealing to this persona is very challenging. Status and prestige do not appeal to Caroline, which might explain why these consumers account for such low shares of ethical luxury purchases. That is, Caroline is humble and does not like to be in the spotlight, but she cares about doing the right thing. Ethical luxury is not aspirational for her. Therefore, alternative business models based on reuse (e.g., second-hand products, Tukker, 2004) might offer a good solution, because these consumers can still sense they are doing the right thing. This alternative business model also would enable the luxury firm to price its ethical luxury products lower, without compromising long-term sustainability. At a minimum, it is likely more sustainable than marketing a new version of the same product (Mying and Evans, 2019).

More broadly, regarding the basic compatibility of ethics and luxury, we acknowledge the essential challenge to the ethicality of large luxury firms. They *de facto* impose a burden on the environment, as does any mass market driven by sales growth goals. However, our findings show that luxury firms can pursue ethical luxury market opportunities with different segments of consumers who differ in their age, human values, ethicality, purchase motivations, and assumptive world. As Table 1 reveals, there is still room to increase the share of ethical products among luxury purchases. The most ambivalent segment (Tom) accounts for almost 75% of luxury purchases that are ethical, yet it barely makes up 15% of luxury consumers. The other segments, which do not even reach a 50% share of ethical purchases among their luxury purchases, instead are the heaviest purchasers, signaling that they likely engage in unsustainable overconsumption. A long-term, sustainable strategy for the luxury sector would replace non-

ethical luxury purchases with ethical versions, without increasing the total number of purchases, potentially through a long-term, corporate strategy of continuing education, campaigning, and activism on ethical issues, as well as adoptions of alternative business models that are more sustainable. If luxury firms can help consumers make more conscious purchase choices and change the way consumers think about how goods and services are provided, they even might cultivate greater brand loyalty by aligning their values with those of their ideal consumers.

Limitations and Research Avenues

This research has some limitations that also offer avenues for further research. First, in this initial study of the types and characteristics of consumers who engage in ethical luxury consumption, we rely on five RQs that we identify as useful contributions to literature on ethics, luxury consumption, and ethical luxury consumption. Continued research might include other variables, such as materialism, attachment to ownership, lifestyles, conformism (or in-group/out-group effects), resource scarcity, culture, or emotions to establish even more specific recommendations for how to appeal to different types of luxury consumers who engage in ethical luxury consumption (e.g., Diallo et al., 2020; Leban et al., 2021; Septianto, Seo, and Errmann, 2021).

Second, we conducted a survey to investigate ethical luxury consumption and found relationships with age, human values, ethicality, purchase motivations, and the assumptive world. However, our research method cannot establish causal relationships of any of these variables with intentions to engage in ethical and ethical luxury consumption. Experimental studies would be beneficial, to investigate such causality. For example, our findings indicate several interaction effects among different variables on intentions to engage in ethical or ethical luxury consumption. In line with the discriminant functions we identify, some of these likely causal interactions include (1) purchase motivations (ego- vs. altruistic-orientation) and assumptive world perceptions (negative self-worth: low vs. high); (2) human values

(conservation: low vs. high) and assumptive world perceptions (faith in the goodness of people and the world: low vs. high); and (3) the effect of age and luxury savvy (high vs. low).

Third, additional research could investigate the willingness of different segments of luxury consumers to accept alternative business models (e.g., rental, second-hand). For example, experiments might test the acceptance levels that Sarah and Ashley segments express for rental models or determine if a second-hand business model is likely to boost ethical luxury consumption among the Caroline segment. Sharing, another way to access ethical luxury, could be tested. Then studies might shift perspectives to determine luxury firms' willingness to adopt alternative business models and their potential to achieve socio- and eco-effectiveness.

This research offers a first step toward understanding the types and characteristics of luxury consumers who engage in ethical and ethical luxury consumption, as well as how to foster long-term sustainability in the luxury sector. We hope it also stimulates continued investigations of ethical luxury consumption.

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Table 1. Cluster profiles of luxury consumers

	Cluster 1 Light ethical and ethical luxury (N = 125)	Cluster 2 Heavy ethical and light ethical luxury (N = 120)	Cluster 3 Medium ethical and ethical luxury (N = 148)	Cluster 4 Heavy ethical and ethical luxury (N = 208)	Cluster 5 Extreme ethical and ethical luxury (N = 105)
	Light consumers of ethical products and of ethical luxury	Heavy consumers of ethical products, light consumers of ethical luxury	Moderate consumers of ethical products and ethical luxury	Heavy consumers of ethical products and ethical luxury	Heaviest consumers of ethical products and ethical luxury
Clustering variables					
Frequency of ethical product and service consumption (mean value)	1.8 ^a	4.9 ^b	3.3 ^c	4.6 ^d	6.3 ^e
Frequency of ethical luxury product and service consumption (mean value)	1.4 ^a	2.1 ^b	3 ^c	4.2 ^d	6.3 ^e
Luxury consumption behavior (mean value)					
Total luxury ownership among 28 luxury categories (binary: no = 0; yes = 1; mean value)	9.4 ^a	9.9 ^a	12.3 ^b	15.8 ^c	22.5 ^d
Percentage of ethical products within luxury purchases	29% ^a	44% ^{b, c}	39% ^b	49% ^c	73% ^d
Frequency of luxury consumption	2.5 ^a	2.5 ^a	2.9 ^b	3.6 ^c	5.7 ^d
Demographic profile					
Mean age	49.8	53.7	45.1	43.7	40.8
Mode of number of people in household	2	2	2	2	4
Female gender	68%	75.8%	64.2%	64.9%	40%
Percentage with children	67.2%	62.5%	57.4%	63.9%	76.2%
Living in an urban area	55.2%	60.8%	60.1%	61.1%	80%
Percentage with income above median	36%	45%	34%	49%	66%
Median price of most luxurious product	\$500.00	\$650.00	\$700.00	\$900.00	\$1,000.00
Ownership of costly durables among 11 categories (binary: no = 0; yes = 1; mean count)	1.54	1.66	1.82	2.18	2.78
Percentage with high school degree	25.6%	20%	25.7%	15.9%	11.4%
Percentage with more than high school degree	71.2%	79.2%	71.6%	82.7%	86.7%

Notes: Numbers followed by different superscript letters differ significantly at $p < .05$.

Table 2. Descriptive statistics

	Mean	SD	Minimum	Maximum
Age	46.33	15.82	18.00	86.00
Idealism	4.09	0.74	1.00	5.00
Relativism	3.38	0.80	1.00	5.00
CES ACT	1.90	1.03	1.00	5.00
CES PAS	2.22	0.97	1.00	5.00
CES QUEST	2.25	0.98	1.00	5.00
CES NOH	3.07	0.88	1.00	5.00
Self-transcendence vs. Self-enhancement	0.00	1.00	-2.19	2.79
Openness to change vs. Conservation	0.00	1.00	-3.77	4.32
Reason for purchase of ethical luxury: helps me fit in with my peers (fit with peers)	2.37	1.44	1	5
Reason for purchase of ethical luxury: helps "make a difference" (impact)	3.18	1.33	1	5
Reason for purchase of ethical luxury: can make me an opinion leader (leadership)	2.43	1.43	1	5
Reason for purchase of ethical luxury: these types of products or services are easy to find (location)	2.92	1.28	1	5
Reason for purchase of ethical luxury: can save money (savings)	3.16	1.38	1	5
Reason for purchase of ethical luxury: these types of products or services are of a higher quality (higher quality)	3.39	1.23	1	5
Reason for purchase of ethical luxury: these types of products or services are healthier for me (healthiness)	3.16	1.31	1	5
Reason for purchase of ethical luxury: can help me with the creation of my positive identity (identity)	2.70	1.39	1	5
Reason for purchase of ethical luxury: I genuinely care about the issues they deal with (relevance)	3.27	1.26	1	5
Reason for purchase of ethical luxury: may grant me a higher status (status)	2.32	1.40	1	5
Reason for purchase of ethical luxury: they utilize innovative technology (innovativeness)	3.04	1.31	1	5
Reason for purchase of ethical luxury: I am very informed and am able to distinguish between ethical and non-ethical luxury products (information)	3.02	1.27	1	5
Reason for non-purchase of ethical luxury: there is a monetary risk in trialing them (trialability risk)	2.80	1.31	1	5
Reason for non-purchase of ethical luxury: their packaging is unattractive or unappealing (packaging)	2.34	1.40	1	5
Reason for non-purchase of ethical luxury: they offer no other benefit (or features) other than being ethical (non beneficial)	2.86	1.31	1	5
Reason for non-purchase of ethical luxury: I am skeptical as to how ethical these luxury products or services really are (skepticism)	3.08	1.28	1	5
Reason for non-purchase of ethical luxury: I do not really care about the consequences of not buying ethical products or services (carefree)	2.52	1.35	1	5
Reason for non-purchase of ethical luxury: I do not give them much thought (indifference)	2.79	1.33	1	5
Reason for non-purchase of ethical luxury: they are harder to find in stores (availability in stores)	2.91	1.31	1	5
Reason for non-purchase of ethical luxury: you have to go to specialty stores to buy them (availability specialty stores)	2.80	1.34	1	5

Reason for non-purchase of ethical luxury: I am confused as to what makes a luxury product or service ethical (confusion)	2.71	1.36	1	5
Reason for non-purchase of ethical luxury: they are of a lower quality (lower quality)	2.71	1.44	1	5
Reason for non-purchase of ethical luxury: they are too expensive for the value received (expensive)	3.21	1.32	1	5
Reason for non-purchase of ethical luxury: people who buy them are given a negative stigma (stigma)	2.36	1.38	1	5
Reason for non-purchase of ethical luxury: I am suffering from ethical overload; I am sick of hearing about it (overload)	2.39	1.38	1	5
Negative self-worth	2.70	1.52	1.00	6.00
Self controllability	4.55	0.85	1.00	6.00
Luck	4.05	1.11	1.00	6.00
Benevolence	4.33	1.03	1.00	6.00
Justice-controllability	3.73	1.01	1.00	6.00
Randomness	3.89	1.03	1.00	6.00
Ownership of costly durables	1.99	1.57	1.00	11.00
Attitude toward luxury (luxury savvy)	3.22	0.94	1.00	5.00
Perceived morality	2.15	1.04	1.00	7.00
Purchase frequency of ethical products/services	4.15	1.55	1.00	7.00
Purchase frequency of ethical luxury products/services	3.41	1.68	1.00	7.00
Purchase frequency of luxury products/services	3.38	1.47	1.50	7.00

Table 3. Structure matrix for 14 retained variables

	Wilks' Lambda	F (4, 701)	Rotated loading f1	Rotated loading f2	Rotated loading f3	Rotated loading f4	Potency index ^a
Negative self-worth	.867	26.844	.714	.026	-.161	-.104	.379
Reason for purchase of ethical luxury: can make me an opinion leader (leadership)	.758	55.901	.617	.243	.019	.427	.299
CES ACT	.851	3.793	.553	.105	.014	.212	.230
Reason for purchase of ethical luxury: can help me with the creation of my positive identity (identity)	.751	58.069	.533	.441	-.023	.277	.237
Randomness	.885	22.788	.451	-.001	.336	-.022	.159
Reason for purchase of ethical luxury: helps "make a difference" (impact)	.830	35.827	.037	.704	.135	-.047	.061
Reason for purchase of ethical luxury: I genuinely care about the issues they deal with (relevance)	.830	35.919	-.018	.696	.165	.110	.060
Reason for purchase of ethical luxury: I am very informed and am able to distinguish between ethical and non-ethical luxury products (information)	.783	48.672	.304	.629	.091	-.049	.115
Ownership of costly durables	.933	12.654	.095	.289	.068	.219	.020
Benevolence	.892	21.235	-.060	.230	.749	.034	.056
Openness-to-change vs. conservation	.962	6.995	-.095	.362	-.570	.126	.050
Self controllability	.884	23.105	.216	.273	.407	-.157	.058
Age	.927	13.822	-.209	-.108	.218	-.609	.061
Attitude toward luxury (luxury savvy)	.949	9.397	.016	.204	-.021	.482	.019

Note: Italicized numbers refer to an unclear pattern of loadings, with loadings lower than .4.

Table 4. Overview of the five clusters of luxury consumers

	Cluster 1 Light ethical and ethical luxury (n = 125)	Cluster 2 Heavy ethical and light ethical luxury (n = 120)	Cluster 3 Medium ethical and ethical luxury (n = 148)	Cluster 4 Heavy ethical and ethical luxury (n = 208)	Cluster 5 Extreme ethical and ethical luxury (n = 105)
Discriminant function	Not altruistic-oriented, but also not anxious, immoral, or driven by their egocentric motivations	Older, not highly luxury savvy, moral luxury consumers not driven by egocentric motivations.	Negative perception of people and the world, not feeling in control (and not altruistic-oriented)	Altruistic-oriented, confident, young, and savvy luxury consumers	Extremely ambivalent
Individual variables	<ul style="list-style-type: none"> - Second oldest segment - Not informed about ethical and non-ethical products - Do not care about ethical issues - Not interested in trying to make a difference - Not driven by egocentric motives (opinion leader, positive identity) - Not immoral - Most conservative 	<ul style="list-style-type: none"> - Oldest - Not driven by ego motives (opinion leader, positive identity) - Not immoral 	<ul style="list-style-type: none"> - Negative self-worth perception - Do not see the world or people as benevolent 	<ul style="list-style-type: none"> - Want to make a difference - Care about ethical issues - Informed about ethical luxury 	<ul style="list-style-type: none"> - All variables (except openness-to-change vs. conservation) score highest - Lowest scores for age

Table 5. Five personas

Cluster 1, Sarah	Cluster 2, Caroline	Cluster 3, Ashley*	Cluster 4, Gail*	Cluster 5, Tom
<p>Sarah is around 50 years old, still working full-time or maybe already retired. She probably has a high school degree and may have some college education too. She does not have children or, if she does, then she has two children.</p> <p>Sarah does not frequently buy luxury items; when she does, the items she buys tend to be among the cheapest luxury items there are. She does not really care much about either ethical products in general or luxury items in particular.</p> <p>Sarah does not at all believe that buying ethical luxury products would have a positive societal impact and it is not driving her purchase behavior. She is not interested in ethical issue, so she does not look for information about ethical luxury products. She</p>	<p>Caroline is around 54 years old, probably retired, but she may still be working full-time. She probably does not have children, but if she does, she would have one or two children.</p> <p>She earned an associate (two-years) or bachelor (four-year) degree.</p> <p>Caroline does not frequently buy luxury items; when she does, the items she buys are not that pricey, but tend to be ethical luxury items. She tends to buy ethical products in general; she is much more into ethical product than she is into luxury products.</p> <p>She is a mature person who cares much about doing the right thing, and she looks at the outside world (and herself) with serenity. She does not really know much about luxury; it is not a</p>	<p>Ashley is around 45 years old, still working, probably full-time, but it could also part-time.</p> <p>S/he has no children.</p> <p>S/he most likely has a high school degree and may also have some college education.</p> <p>Ashley likes to buy luxury items, but does not do so frequently. The items s/he buys are not that pricey. S/he is also not so interested in ethical products (a little bit, but not much really).</p> <p>Ashley does not believe in the goodness of people and the world. S/he perceives s/he has no control over what is happening in the world. S/he is not attached to traditions and conformity values. S/he does not really believe that buying ethical luxury products would have a positive societal impact or, at least, this is not really</p>	<p>Gail is 44, working full-time. S/he has no children or maybe one child.</p> <p>S/he continued to university after high school.</p> <p>Gail is a frequent buyer of luxury items. The luxury items s/he buys tend to be pricey and ethical. S/he is a savvy luxury consumer.</p> <p>S/he is interested in buying ethical products in general, luxury or not.</p> <p>S/he is the type of person who believes s/he can help change things for a better world through her purchase behavior. S/he wants to make a difference and truly cares about ethical issues. S/he makes sure to be well informed in that respect. S/he is young and confident.</p>	<p>Tom is working full-time and has gone to university for two to four years. He is in his early 40s and has one or two children. He lives in the city.</p> <p>He tends to buy many luxury items.</p> <p>Tom buys luxury items very frequently and already owns luxury items. He tends to buy the most expensive luxury items there are. He really knows much about luxury; it is a hobby of his. Tom also usually buys luxury items that most often also are ethical.</p> <p>He is very interested in buying ethical products in general.</p> <p>Tom is full of contradictions. Maybe this is because of his youth (with age comes wisdom, as the saying goes). He tends to be driven by his ego and ego-centric- motivations,</p>

does not try to make a difference through her purchase behavior. She is respectful of laws. She knows bad from wrong and rather likes to remain 'behind the scene' and not to be in the spotlight. She is a very conservative person.	hobby of hers. She is rather humble and does not like to be in the spotlight.	driving her/his purchase behavior. S/he has a relatively negative opinion of her/himself.		but he also is socially committed, and he tries to help others and to make the world a better place through his purchase behavior. This ambivalence may explain, or result from, his feeling that he is not worthy. He is very anxious about the surrounding world, but he believes in the goodness of people.
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Note: We use unisex names to highlight that these clusters likely are equally males as females (taking into account that females are slightly overrepresented in our sample)

Figure 1. Loadings of group centroids on four discriminant functions

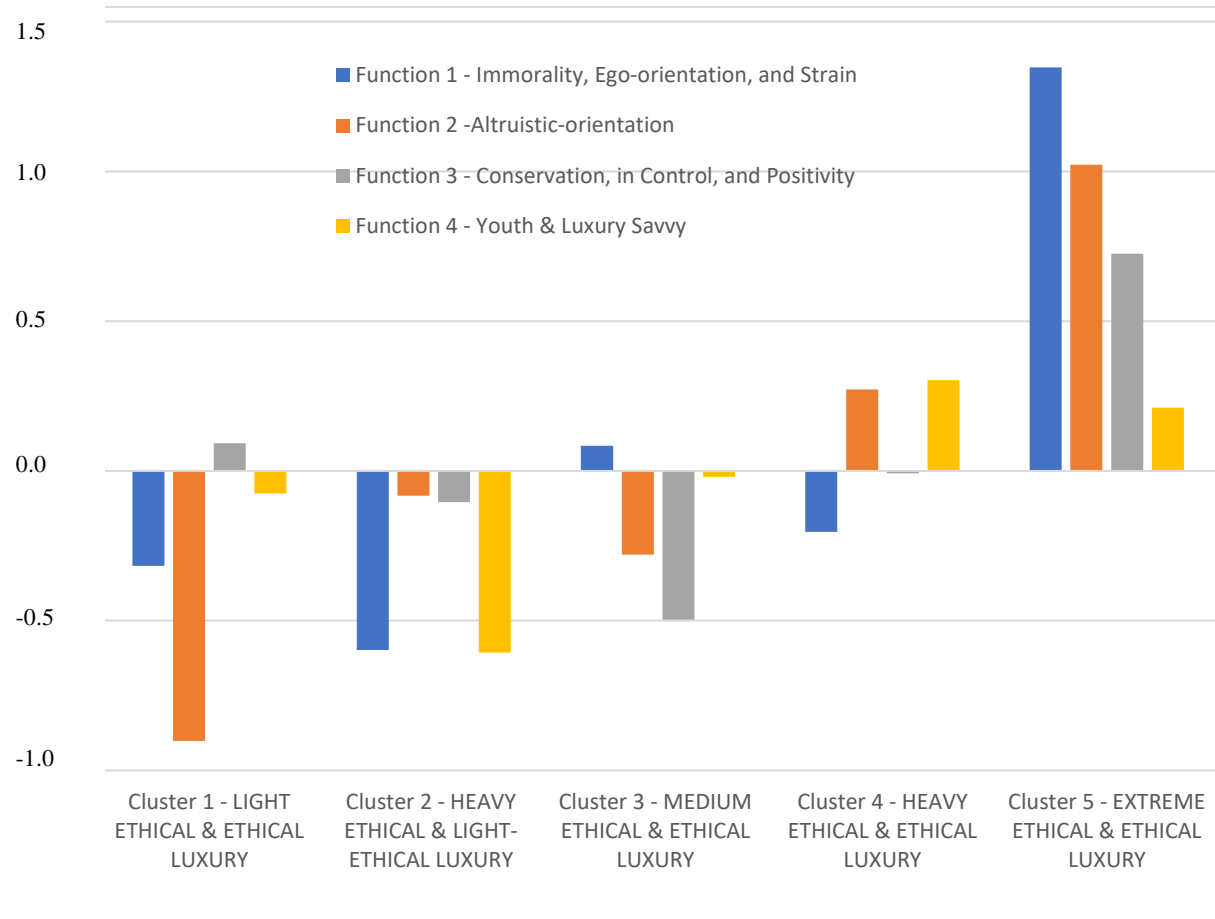
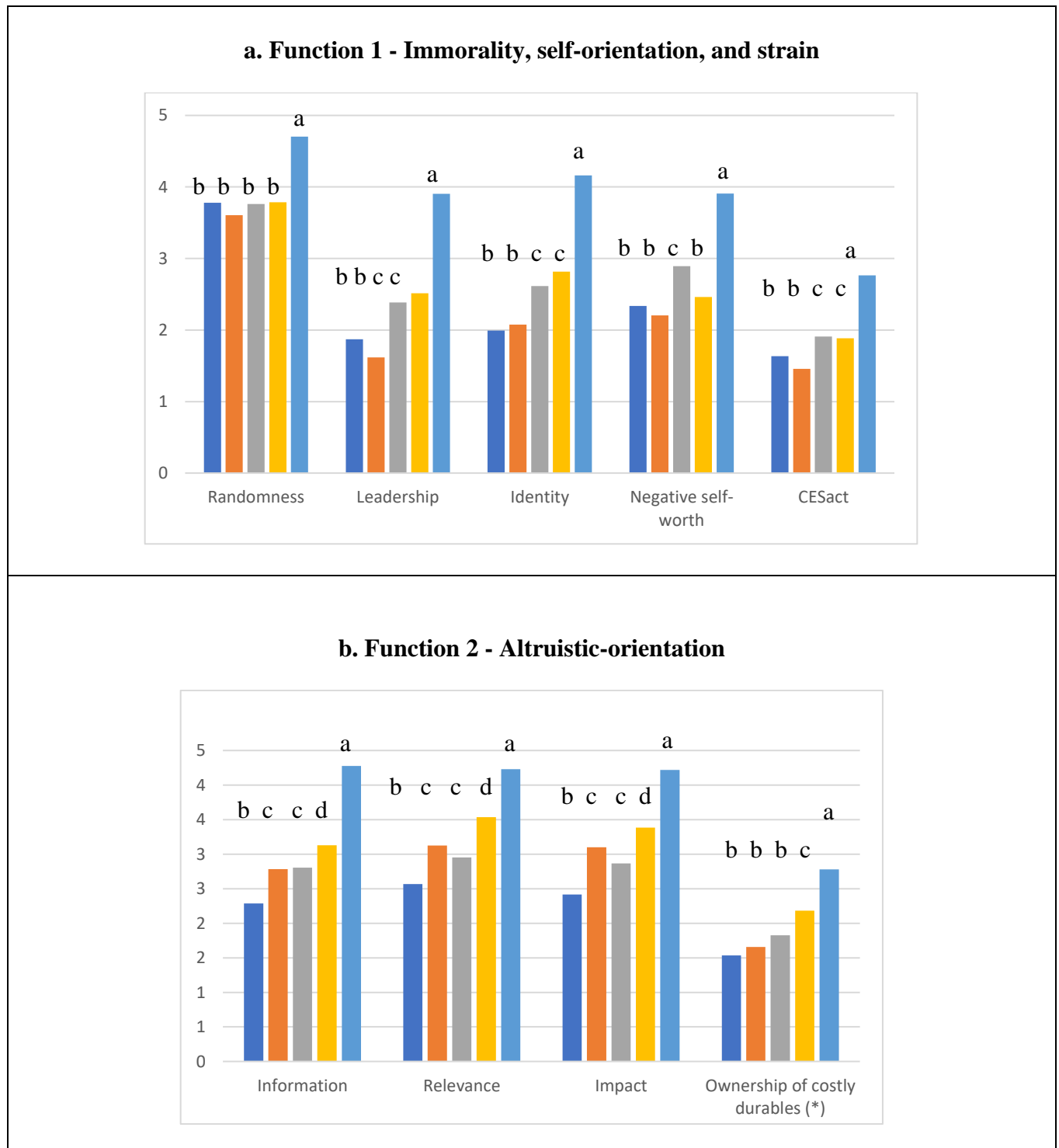


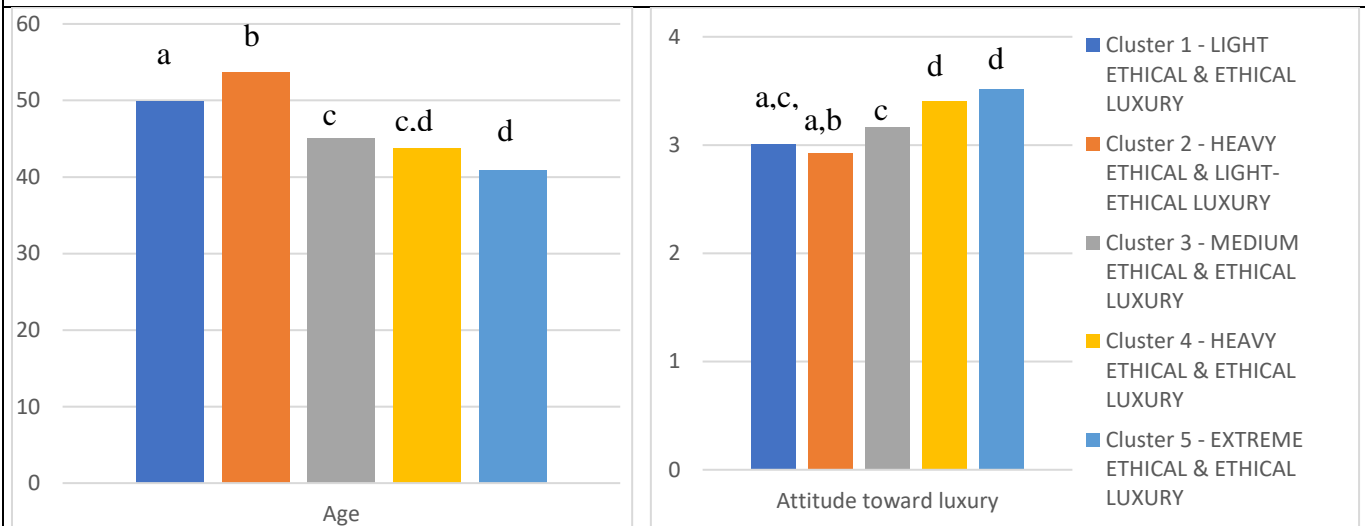
Figure 2. Differences across clusters



c. Function 3 - Conservation, in Control, and Positivity



d. Function 4 - Youth and Luxury Savvy



Notes: Bars with different superscript letters differ significantly at $p < .05$. (*) indicates a loading below .4 and thus an unclear pattern of loadings.

Appendix 1: Measurement Scales

*Not included

RQ2: Human values measures

Here we briefly describe different people. Please read each description and think about how much that person is or is not like you. For each statement, tick the box that shows ...

- It is important to him/her to form his/her views independently.
- It is important to him/her that his/her country is secure and stable.
- It is important to him/her to have a good time.
- It is important to him/her to avoid upsetting other people.
- It is important to him/her that the weak and vulnerable in society be protected.
- It is important to him/her that people do what s/he says they should.
- It is important to him/her never to think s/he deserves more than other people.
- It is important to him/her to care for nature.
- It is important to him/her that no one should ever shame him/her.
- It is important to him/her always to look for different things to do.
- It is important to him/her to take care of people s/he is close to.
- It is important to him/her to have the power that money can bring.
- It is very important to him/her to avoid disease and protect his/her health.
- It is important to him/her to be tolerant toward all kinds of people and groups.
- It is important to him/her never to violate rules or regulations.
- It is important to him/her to make his/her own decisions about his/her life.
- It is important to him/her to have ambitions in life.
- It is important to him/her to maintain traditional values and ways of thinking.
- It is important to him/her that people s/he knows have full confidence in him/her.
- It is important to him/her to be wealthy.
- It is important to him/her to take part in activities to defend nature.
- It is important to him/her never to annoy anyone.
- It is important to him/her to develop his/her own opinions.
- It is important to him/her to protect his/her public image.
- It is very important to him/her to help the people dear to him/her.
- It is important to him/her to be personally safe and secure.
- It is important to him/her to be a dependable and trustworthy friend.
- It is important to him/her to take risks that make life exciting.
- It is important to him/her to have the power to make people do what s/he wants.
- It is important to him/her to plan his/her activities independently.
- It is important to him/her to follow rules even when no-one is watching.
- It is important to him/her to be very successful.
- It is important to him/her to follow his family's customs or the customs of a religion.
- It is important to him/her to listen to and understand people who are different from him/her.
- It is important to him/her to have a strong state that can defend its citizens.
- It is important to him/her to enjoy life's pleasures.
- It is important to him/her that every person in the world have equal opportunities in life.
- It is important to him/her to be humble.
- It is important to him/her to figure things out himself/herself.
- It is important to him/her to honor the traditional practices of his/her culture.
- It is important to him/her to be the one who tells others what to do.

- It is important to him/her to obey all the laws.
- It is important to him/her to have all sorts of new experiences.
- It is important to him/her to own expensive things that show his/her wealth.
- It is important to him/her to protect the natural environment from destruction or pollution.
- It is important to him/her to take advantage of every opportunity to have fun.
- It is important to him/her to concern himself/herself with every need of his/her dear ones.
- It is important to him/her that people recognize what s/he achieves.
- It is important to him/her never to be humiliated.
- It is important to him/her that his/her country protect itself against all threats.
- It is important to him/her never to make other people angry.
- It is important to him/her that everyone be treated justly, even people s/he doesn't know
- It is important to him/her to avoid anything dangerous.
- It is important to him/her to be satisfied with what s/he has and not ask for more.
- It is important to him/her that all his/her friends and family can rely on him/her completely.
- It is important to him/her to be free to choose what s/he does by himself/herself.
- It is important to him/her to accept people even when s/he disagrees with them.

RQ 3: Consumer ethicality measures

Idealism/relativism scale (agreement from 1 to 7)

Idealism:

- A person should make certain that their actions never intentionally harm another even to a small degree.
- Risks to another should never be tolerated, irrespective of how small the risks might be.
- The existence of potential harm to others is always wrong, irrespective of the benefits gained.
- One should never psychologically or physically harm another person.
- One should not perform an action that might in any way threaten the dignity and welfare of another individual.
- If an action could harm an innocent other, then it should not be done.
- Deciding whether or not to perform an act by balancing the positive consequences of the act against the negative consequences of the act is immoral.*
- The dignity and welfare of people should be the most important concern in any society.
- It's never necessary to sacrifice the welfare of others.
- Moral actions are those which closely match ideals of the most "perfect" action.*
- There are no ethical principles that are so important that they should be a part of any code of ethics.
- What is ethical varies from one situation and society to another.
- Moral standards should be seen as being individualistic; what one person considers being moral may be judged to be immoral by another person.
- Different types of moralities cannot be compared as to rightness.
- What is ethical for everyone can never be resolved since what is moral or immoral is up to the individual.
- Moral standards are simply personal rules which indicate how a person should behave, and are not to be applied in making judgments of others.
- Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes.

- Rigidly codifying an ethical position that prevents certain types of actions stand in the way of better human relations and adjustment.
- No rule concerning lying can be formulated; whether a lie is permissible or not permissible totally depends upon the situation.
- Whether a lie is judged to be immoral depends upon the circumstances surrounding the actions.

To what extent do you believe that the following behaviors are appropriate or inappropriate? (1 = extremely inappropriate; 5 = extremely appropriate)

ACT:

- Returning damaged goods when the damage was your own fault.
- Giving misleading price information to a clerk for an unpriced item.
- Using a long distance access code that does not belong to you.
- Drinking a can of soda in a store without paying for it.
- Reporting a lost item as “stolen” to an insurance company in order to collect the insurance money.

PAS:

- Moving into a residence, finding that the cable TV is still hooked up, and using it without paying for it.
- Lying about a child’s age to get a lower price.
- Not saying anything when the waiter or waitress miscalculates a bill in your favor.
- Getting too much change and not saying anything.
- Joining a CD club just to get some free CDs with no intention of buying any.
- Observing someone shoplifting and ignoring it.

QUEST:

- Using an expired coupon for merchandise.
- Returning merchandise to a store by claiming that it was a gift when it was not.
- Using a coupon for merchandise you did not buy.
- Not telling the truth when negotiating the price of a new automobile.
- Stretching the truth on an income tax return.

NOH

- Installing software on your computer without buying the software.
- “Burning” a CD rather than buying it.
- Returning merchandise after buying it and not liking it.
- Spending over an hour trying on clothing and not buying anything.
- Taping a movie of the television.

RQ 4: Motivations measures

Reasons for purchasing ethical luxury:

- It helps me fit in with my peers.
- It helps "make a difference."
- It can make me an opinion leader.
- These types of products or services are easy to find.
- I can save money.
- These types of products or services are of a higher quality.
- These types of products or services are healthier for me.
- It can help me with the creation of my positive identity.

- I genuinely care about the issues they deal with.
- They may grant me a higher status.
- They utilize innovative technology.
- I am very informed and am able to distinguish between ethical and non-ethical luxury products.

Reasons for not purchasing ethical luxury:

- There is a monetary risk in trialing them.
- Their packaging is unattractive or unappealing.
- They offer no other benefit (or features) other than being ethical.
- I am skeptical as to how ethical these luxury products or services really are.
- I do not really care about the consequences of not buying ethical products or services.
- I do not give them much thought.
- They are harder to find in stores.
- You have to go to specialty stores to buy them.
- I am confused as to what makes a luxury product or service ethical.
- They are of a lower quality.
- They are too expensive for the value received.
- People who buy them are given a negative stigma.
- I am suffering from ethical overload, I am sick of hearing about it.

RQ 5: Assumptive world perceptions measures

World assumptions scale (agreement from 1 to 6):

Benevolence:

- The good things that happen in this world far outnumber the bad things.
- There is more good than evil in the world.
- If you look closely enough, you will see that the world is full of goodness.
- The world is a good place.
- People do not really care what happens to the next person.*
- People are naturally unfriendly and unkind.*
- People are basically kind and helpful.
- Human nature is basically good.

Justice-controllability:

- People will experience good fortune if they themselves are good.
- By and large, good people get what they deserve in this world.
- Generally, people deserve what they get in this world.
- Misfortune is least likely to strike worthy, decent people.
- People's misfortunes result from mistakes they have made.
- Through our actions, we can prevent bad things from happening to us.
- If people took preventive actions, most misfortune could be avoided.
- When bad things happen, it is typically because people have not taken necessary actions to protect themselves.

Randomness:

- Bad events are distributed to people at random.
- The course of our lives is largely determined by chance.
- Life is too full of uncertainties that are determined by chance.
- In general, life is mostly a gamble.

Negative self-worth:

- I often think that I am no good at all.
- I have a low opinion of myself.
- I have reason to be ashamed of my personal character.
- I am very satisfied with the kind of person I am (*).

Self-controllability:

- I usually behave in ways that are likely to maximize good results for me.
- I almost always make an effort to prevent bad things from happening to me.
- I take the actions necessary to protect myself against misfortune.
- I usually behave so as to bring about the greatest good for me.

Luck:

- I am basically a lucky person.
- When I think about it, I consider myself very lucky.
- Looking at my life, I realize that chance events have worked out well for me.
- I am luckier than most people.

Other measures

Attitude toward luxury:

- I do not know much about the luxury world.
- I rather like luxury.
- I am not interested in luxury

Morality scale (1 to 7)

To what extent do you feel you are characterized by the following adjectives?

- Moral–Immoral
- Nice–Mean
- Altruistic–Selfish
- Good–Bad
- Sincere–Insincere
- Pure–Impure

Ownership of costly durables (immersion in expensive durables):

- A laptop worth more than 2,900 US dollars
- A smartphone worth more than 900 US dollars
- A vacation house or cottage
- A television worth more than 1,500 US dollars
- A swimming pool
- A sauna
- A Jacuzzi
- A home entertainment system worth more than 3,500 US dollars
- A gym in your house (i.e., a room with various exercise equipment such as rowing machine, treadmill, stationary bike, etc.)
- A flat or a house worth more than 400,000 US dollars
- A car worth more than 40,000 US dollars

Possession of luxury:

- Necklace
- Ring

- Pendant
- Bracelet
- Earrings
- Watch
- Cufflinks
- Tie clip
- Pen
- Diary
- Key ring
- Dress
- Purse
- Wallet
- Cardholder
- Cosmetics
- Handbag or bag
- Woman jacket
- Men suits
- Glasses
- Men shoes
- Women shoes
- Holidays
- Exclusive experiences
- Hotel
- Restaurant
- Cars
- Plastic surgery

How often do you usually buy the following types of products or services? (from 1, never to 7, always)

- Luxury services.
- Luxury products.
- Ethical services.
- Ethical products.
- Ethical luxury services.
- Ethical luxury products.

Appendix 2: Robustness Check

Computing scores for the two dimensions of Schwarz values, rather than four higher-order values (self-transcendence, self-enhancement, conservation, and openness-to-change), may affect the results of the discriminant analysis. To assess the robustness of our conclusions regarding the characteristics of the identified clusters and derived personas, we ran a discriminant analysis using the four higher-order values instead of the two value dimensions. Both analyses reveal four discriminant functions and 14 variables that contribute significantly to the four functions; the variance explained by each function is the same in both analyses. In detail, the first function explains 74 percent of the variance of both analyses and includes the same retained variables (no value dimensions or higher-order value variables appear in this first function). Notably, the Schwarz values do not explain a substantial share of the variance in the data, so the impact of using two versus four variables can only be minimal. For the remaining functions (26 percent of the variance in total, summing 12 percent, 8 percent, and 6 percent in both analyses), we find a few slight differences (see below), mostly pertaining to the ability of some variables to contribute significantly to the discriminant function. These variables all have univariate ability to discriminate among clusters (significant Wilks Lambda); they were not retained, because they correlated with other, retained variables, such that their content already is being taken into account in the function. The slight differences did not change the clusters or personas derived, nor the conclusions drawn.

- In the analyses reported in the results section, openness-to-change versus conservation is the only dimension retained in the discriminant analysis. It contributes significantly to function 3 (loading of 0.570, potency index of 0.5). In the discriminant analysis with the four higher-order values, conservation contributes significantly to discriminant function 3 (loading of 0.67, potency index of 0.06), and openness-to-change contributes to function 2 (albeit with a very low loading of 0.31 and lower potency index of 0.04). No other higher-order value variable is significant in any analyses. Therefore, conservation is the better predictor in the analysis with the four-higher order values, and it defines function 3 (openness-to-change does not improve the discriminatory power of function 2 much); and, similarly, the openness-to-change versus conservation variable contributes significantly to function 3 in the analyses reported in the results section.
- In the analysis with four-higher order variables, self-controllability has a high loading on function 3 and the ability to discriminate among clusters (significant Wilks Lambda). However, and in contrast with the analysis involving two value dimensions, it does not contribute significantly to discriminant function 3, due to its correlation with other retained variables.
- We note a swap between two retained variables: luxury savvy (control variable) and higher quality (motivation variable). In the analysis with four higher-order variables, luxury savvy discriminates among clusters (significant Wilks Lambda) but does not contribute significantly to the function, due to its correlation with other, retained variables. In the analysis reported in the article, luxury savvy replaces higher quality among the variables that contribute significantly to the discriminant functions: higher quality still discriminates among clusters (significant Wilks Lambda), but no longer significantly contributes to the function due to its correlation with other, retained variables.