



Vaasan yliopisto  
UNIVERSITY OF VAASA

Roosa Mustonen

**Luxury, sustainable or not? – exploring the impact  
of sustainability on consumer perceptions and  
purchase decisions in the luxury sector**

Case KARAAT Jewelry

School of Marketing and Communication  
Master's thesis  
Marketing Management

Vaasa 2025

---

**UNIVERSITY OF VAASA****School of Marketing and Communication**

**Author:** Roosa Mustonen  
**Title of the Thesis:** Luxury, sustainable or not? – exploring the impact of sustainability on consumer perceptions and purchase decisions in the luxury sector : Case KARAAT Jewelry  
**Degree:** Master of Science in Economics and Business Administration  
**Programme:** Marketing Management  
**Supervisor:** Catharina von Koskull  
**Year:** 2025 **Sivumäärä:** 73

---

**ABSTRACT:**

This study explores how sustainability influences consumer perceptions and purchase decisions in the luxury goods market, with a specific focus on the luxury jewelry sector through a case study of Karaat Jewelry, a Finnish brand specializing in lab-grown diamonds. The research addresses a growing interest in sustainable consumption and the evolving relationship between sustainability and luxury, two concepts often seen as conflicting. As sustainability has increasingly become an important theme in consumption, luxury brands are now facing the challenge of integrating sustainable practices while maintaining their exclusive and high-quality brand image. This research seeks to understand whether and how sustainability contributes to the perception of luxury, and how it shapes consumer purchase decisions, particularly among younger female consumers. The study adopts a qualitative methodology, conducting ten in-depth semi-structured interviews with Finnish women aged 25-35 who are customers of Karaat Jewelry. The findings reveal that consumers perceive luxury as a multifaceted concept defined by high-quality craftsmanship, aesthetics, emotional value, and personal meaning, rather than just exclusivity or high price. Sustainability, while not the primary motivation for luxury purchases, significantly enhances the perceived value of luxury items when it is authentically embedded in the brand's identity. Additionally, findings indicate that sustainability can serve as a decisive factor when other aspects, such as design, quality, and price, are meeting the consumer expectations. Moreover, sustainability is most positively reviewed when it doesn't compromise perceived product quality or craftsmanship. According to this research, consumers expect authenticity and transparency regarding sustainability in branding, and trust plays a critical role in evaluating these claims. Participants favor brands like Karaat Jewelry that demonstrate genuine transparency and commitment to sustainability, particularly in contrast to traditional luxury brands, which are often viewed with skepticism regarding greenwashing. While heritage brands may still get some flexibility because of their long-standing reputations, newer luxury brands are expected to meet higher standards when it comes to sustainability and to set a good example with sustainable practices. Managerially, this research provides insights for luxury brand strategists. It suggests that while traditional luxury values remain important, sustainability can be a powerful differentiator when communicated authentically and integrated seamlessly into a brand's core offering. Brands should focus on building trust through transparency and using sustainability as a value-enhancing attribute, not a substitute for traditional luxury attributes. In conclusion, this thesis deepens the academic understanding of sustainable luxury by demonstrating that sustainability and luxury can coexist harmoniously. When implemented authentically and without compromising quality, sustainability can enhance the emotional value and appeal of luxury products, positioning brands like Karaat Jewelry favorably within the evolving expectations of the modern luxury consumer.

---

**KEYWORDS:** luxury, luxury consumption, sustainable luxury, modern luxury

---

**VAASAN YLIOPISTO****Markkinoinnin ja viestinnän akateeminen yksikkö**

<b>Tekijä:</b>	Roosa Mustonen
<b>Tutkielman nimi:</b>	Luxury, sustainable or not? - exploring the impact of sustainability on consumer perceptions and purchase decisions in the luxury sector : Case KARAAT Jewelry
<b>Tutkinto:</b>	Kauppätieteiden maisteri
<b>Tutkinto-ohjelma:</b>	Markkinoinnin johtamisen maisteriohjelma
<b>Ohjaaja:</b>	Catharina von Koskull
<b>Vuosi:</b>	2025 <b>Sivumäärä:</b> 73

---

**TIIVISTELMÄ:**

Tämä tutkimus tarkastelee vastuullisuutta ja sen vaikutusta kuluttajien käsityksiin sekä ostopäätöksiin luksustuotemarkkinoilla, erityisesti luksuskorumarkkinoilla. Tutkimuksen kohteena on suomalainen Karaat Jewelry, joka on erikoistunut laboratoriotimanttikoruihin. Tutkimus vastaa kasvavaan kiinnostukseen vastuullista kuluttamista ja vastuullisuuden sekä luksuksen välistä suhdetta kohtaan, käsitteitä, joita usein pidetään ristiriitaisina. Koska vastuullisuus on noussut yhä keskeisemmäksi teemaksi kuluttajakäyttäytymisessä, luksusbrändit kohtaavat haasteen: miten yhdistää vastuullisuus brändin eksklusiiviseen ja ylelliseen luksusimagoon. Tämän tutkimuksen tavoitteena on selvittää, miten vastuullisuus vaikuttaa luksuksen kokemukseen ja missä määrin se ohjaa ostopäätöksiä, erityisesti nuorten naiskuluttajien kohdalla. Tutkimus perustuu laadulliseen menetelmään ja koostuu kymmenestä puolistrukturoidusta haastattelusta, joihin osallistui 25–35-vuotiaita suomalaisia naisia, jotka ovat Karaat Jewelryn asiakkaita. Tulokset osoittavat, että kuluttajat kokevat luksuksen moniulotteisena ilmiönä, jota määrittävät korkea laatu, estetiikka, tunnepitoisuus ja henkilökohtainen merkityksellisyys pikemminkin kuin pelkkä eksklusiivisuus tai korkea hinta. Luksusostokset nähdään harkittuina tekoina, jotka usein liittyvät identiteettiin, elämän tärkeisiin hetkiin tai itsensä ilmaisemiseen. Vaikka vastuullisuus ei yleensä ole luksusostosten ensisijainen motiivi, se lisää niiden koettua arvoa silloin, kun se on aidosti osa brändin ydintä. Tutkimus osoittaa, että vastuullisuus voi olla ratkaiseva tekijä ostopäätöksessä, jos muut keskeiset kriteerit, kuten design ja estetiikka, laatu ja hinta, täyttävät kuluttajan odotukset. Kuluttajat suhtautuvat erityisen myönteisesti vastuullisuuteen silloin, kun se ei vaikuta negatiivisesti tuotteen laatuun. Tutkimuksen mukaan kuluttajat odottavat brändeiltä aitoutta ja läpinäkyvyyttä vastuullisuuteen liittyvissä väitteissä. Luottamus nousee keskeiseksi tekijäksi näiden arvioinnissa. Karaat Jewelryn kaltaiset brändit, jotka osoittavat todellista sitoutumista vastuullisuuteen ja kommunikoivat avoimesti toimintatavoistaan, koetaan uskottavampina kuin perinteiset luksusbrändit, joihin liitetään yhä usein epäluuloja viherpesusta. Tutkimus osoittaa, että perinteiset luksusbrändit saattavat edelleen hyötyä pitkästä historiastaan ja maineestaan, kun taas uudemmilta toimijoilta odotetaan korkeampia eettisiä standardeja ja suunnannäyttäjän roolia vastuullisessa liiketoiminnassa. Johtopäätöksenä tutkimus tarjoaa käytännönläheisiä näkökulmia luksusbrändien strategiatyöhön. Se osoittaa, että perinteiset luksusarvot ovat yhä merkityksellisiä, mutta vastuullisuus voi toimia vahvana erottautumistekijänä silloin, kun se on autenttisesti integroitu brändin ytimeen. Brändien tulisi panostaa luottamuksen rakentamiseen läpinäkyvyyden kautta ja nähdä vastuullisuus arvoa lisäävänä tekijänä, ei luksus-attribuuttien korvikkeena. Yhteenvetona voidaan todeta, että tutkimus syventää akateemista ymmärrystä vastuullisesta luksuksesta ja osoittaa, että luksus ja vastuullisuus voivat sopia yhteen. Kun vastuullisuus toteutetaan tinkimättä laadusta, se voi lisätä luksustuotteiden vetovoimaa, ja vahvistaa brändien, kuten Karaat Jewelryn, asemaa uuden sukupolven luksuskuluttajien silmissä.

## Contents

1	Introduction	7
1.1	Background and motivation	7
1.2	Research problem, objectives, and research questions	9
1.3	Research approach and methodology	10
1.4	Thesis structure	11
2	Theoretical framework and literature review	12
2.1	Luxury brands and luxury consumption	12
2.1.1	The concept of a brand	12
2.1.2	The concept of luxury	14
2.1.3	Luxury consumption	16
2.2	Sustainable luxury	18
2.2.1	Sustainable luxury as a concept	19
2.2.2	Sustainable luxury as a paradox	22
3	Research methodology	29
3.1	Research approach, data collection, and data analysis	29
3.2	The case company	33
3.3	The quality of data	34
4	Findings	37
4.1	Theme 1: Luxury and luxury consumption	37
4.1.1	Category 1: Definition and meaning of luxury	37
4.1.2	Category 2: Motivation for luxury consumption	42
4.2	Theme 2: Perceptions of sustainable luxury	44
4.2.1	Category 1: Compatibility of luxury and sustainability	45
4.2.2	Category 2: How sustainability shapes the luxury perception	47
4.3	Theme 3: Sustainability in luxury consumption	49
4.3.1	Category 1: The weight of sustainability in luxury purchases	49
4.3.2	Category 2: Key drivers of luxury consumption	52

5	Discussion	56
5.1	Theoretical implications	56
5.2	Managerial implications	61
5.3	Limitations of the study and future research suggestions	62
	References	65
	Appendices	70
	Appendix 1. The interview questions for customers	70
	Appendix 2. The usage of AI	73

**Tables**

Table 1.	The attributes of sustainable luxury and traditional luxury	27
----------	---	----

# 1 Introduction

In this chapter, the key elements of this research are outlined. The chapter begins by exploring the background and motivation behind the thesis, highlighting the significance of this study and the context in which it is situated. This is followed by an introduction to the research problem, objectives, and research questions that guide this thesis, establishing a base for understanding the importance of the topic. Following this, this chapter present the research approach and methodology and display the structure of the thesis.

## 1.1 Background and motivation

Brands have long served as a critical mechanism for distinguishing products and services. According to Keller (2013, p. 30), a brand is more than a name or logo, it represents unique qualities that set a product apart from its competitors. These qualities can be tangible, such as superior quality or craftsmanship, or intangible, including symbolic and emotional associations (Keller, 2013, p. 31; Ghodeswar, 2008, p. 5). Through these associations, brands establish a distinct identity and create value that goes beyond the functional utility of the products, shaping consumer perceptions and experiences.

Branding is particularly crucial in the luxury sector, where products and services are often viewed as symbols of status, identity, and aspiration (Aggarwal et al., 2024, p. 181). Luxury brands differ from non-luxury brands by offering not just functionality but also exclusivity, heritage, social status, and emotional fulfillment (Lim et al. (2012). Luxury consumption is deeply tied to the symbolic and emotional dimensions of branding. Consumers often consume luxury products to express their values, aspirations, and social identity while seeking elevated experiences that go beyond functionality (Jain, 2019, p. 132; Chevalier & Mazzalovo, 2021, p. 11). However, the landscape of luxury consumption has shifted significantly in recent years, with sustainability emerging as a critical factor in consumer decision-making (Chang et al., 2022, p. 4; Aggarwal et al., 2024, p. 180; Jain, 2019, p. 132; Cuomo et al., 2019, p. 67). Modern consumers increasingly prioritize

brands' ethical and environmentally responsible practices, such as the use of ecological materials or ethical working conditions, making luxury brands to adapt their strategies (Cuomo et al., 2019, pp. 1-2; Di Leo et al., 2023, pp. 1274-1275; Kapferer et al., 2014; Cervellon & Shamma, 2013, p. 91).

However, there is much opposing data regarding how luxury consumers view sustainable luxury and how a brand's sustainability impacts on consumer perceptions and purchase decisions. Previous studies show mixed results on how consumers see luxury brands' sustainable and eco-friendly offerings (Cuomo et al., 2019, p. 67; Chang et al., 2022, pp. 2-4). Some research suggests that consumers value sustainable luxury and expect luxury brands to be sustainable (Aggarwal et al., 2024, p. 180; Jain, 2019, p. 132). On the other hand, some consumers perceive sustainability and luxury as conflicting (Kapferer & Michaut-Denizeau, 2020, p. 44; Beckham & Voyer, 2014, p. 245). Additionally, according to multiple studies luxury consumers show less interest in sustainability when making purchasing decisions (Chang et al., 2022, p. 13; Davies et al., 2012, p. 44; Deklihi et al., 2019, pp. 490-491). This contrast highlights a fundamental research gap: while sustainability is gaining importance, its influence on luxury brand perceptions and consumer purchase decisions remains complex.

According to Chang et al., (2022, p.1), although luxury marketers acknowledge the sustainability concerns of consumers, there is limited number of studies examining consumer perceptions of sustainable luxury. Also, Husain et al. (2022, p. 595), Kunz et al. (2020, p. 560), and Aggarwal (2024, p. 181) highlight the need for future research on the relationship of sustainability and luxury in the luxury goods sector. This presented landscape demonstrates a unique opportunity to explore how much brand's sustainability influences consumer perceptions and purchase decisions within the luxury sector.

The focus of this thesis arises from this pressing need to better understand how sustainability influences consumer perceptions and purchase decisions within the luxury market. Specifically, the motivation for this research lies in the need for comprehensive un-

derstanding regarding the concept of sustainable luxury. This study seeks to understand how sustainability influences consumers' perceptions of luxury brands, how it impacts on luxury consumption, and how it compares to traditional luxury brand attributes, such as high-quality craftsmanship, brand heritage, artisanal design, and exclusivity. By examining the perceptions, values, and motivations of luxury consumers, this research aims to investigate the role of sustainability in luxury consumption. The thesis will explore whether sustainability is a key factor for consumers when evaluating a luxury brand, and how it shapes their perceptions and purchase decisions. By examining these dynamics, the study will provide valuable insights to enhance luxury brands' strategies and better align their branding efforts with consumer values.

## **1.2 Research problem, objectives, and research questions**

While the concept of sustainability has shifted from being a lesser-known topic to a central consumer expectation in recent years, there remains a significant research gap in understanding how luxury brand's sustainability impacts on consumer perceptions and purchase decisions (Chang et al., 2022, p. 1). Also, Husain et al. (2022, p. 595) emphasize the need for future research on sustainability in luxury sector. Accordingly, Kunz et al. (2020, p. 560) highlight the need for further research in the luxury goods sector, particularly by exploring a wider range of luxury industries and using more in-depth methods to better understand consumers. Additionally, Kunz et al. (2020, pp. 549-551) highlight the importance of studying the relationship between luxury and sustainability from a marketing perspective. In addition to, Aggarwal (2024, p. 181) states that recent studies have highlighted the importance of examining luxury consumers' values, especially regarding sustainability, and their impact on shaping perceptions of luxury brands and products. This thesis also addresses a critical gap in the diamond jewelry market, where limited research has been conducted on the connection of sustainability, luxury, and branding. This study aims to fill this gap by investigating how sustainability influences consumer perceptions and purchase decisions.

As consumers increasingly prioritize sustainability in their purchase decisions, it becomes important for luxury brands to understand how their brand's sustainability is perceived. Therefore, this study aims to explore the influence of brand's sustainability on consumer perceptions and purchase decisions within the luxury goods sector. This study will provide luxury brand marketers valuable insights regarding luxury consumers' perceptions regarding sustainable luxury, specifically in the luxury jewelry market.

The primary objectives of this thesis are centered around understanding the role of sustainability in luxury consumption. The research aims to explore the impact of sustainability on luxury consumption from the perspective of the customers of the case company. By gaining insights into consumer motivations, values and perceptions, the study seeks to highlight how brand's sustainability is perceived within the context of luxury goods. The thesis will also address the relative importance of sustainability compared to traditional luxury brand attributes. Understanding this hierarchy of consumer priorities is essential for enhancing branding strategies of luxury brands.

To guide this study, the following research questions have been formulated:

1. What are the key motivations driving luxury consumption and what does luxury mean to luxury consumers?
2. How does sustainability influence consumer perceptions of luxury brands and products?
3. What role does sustainability play in luxury consumption among other factors?

### **1.3 Research approach and methodology**

This study adopts a qualitative research approach, which is particularly suitable for exploring complex topics that require deeper understanding. Unlike quantitative research, which focuses on numerical data analysis, qualitative research aims to capture rich, detailed information about human behaviors and perceptions. This approach is well-suited for this study because it enables the researcher to gain a deeper understanding of cus-

customer perceptions, values, and motivations. The primary data collection method in this study is semi-structured interviews. Interviews provide an opportunity to engage directly with participants, allowing them to express their thoughts and opinions in their own words. By discussing with participants in an open semi-structured interview, this study seeks to uncover the motivations, values, and perceptions customers associate with the case company and luxury goods. A thematic analysis approach will be used to illustrate the data collected from the interviews. This involves categorizing the data to identify recurring themes and patterns. The findings from the analysis will be compared with existing literature review to identify similarities, differences, and new insights.

#### **1.4 Thesis structure**

This thesis is structured into five main chapters. The introduction outlines the background and motivation for the thesis, identifying the research problem and objectives, presenting the research questions, and also providing an overview of the research approach and methodology. Following the introduction, Chapter 2 presents a theoretical framework and literature review, providing theory of the concept of a brand, luxury consumption, and the complex concept of sustainable luxury. This chapter presents the theoretical base for the study.

Chapter 3 overviews the research methodology, detailing the approach, data collection methods, and the information of the case company. Moreover, it discusses the thematic analysis that will be used to analyze the interview data. Chapter 4 presents the findings, highlighting emerging insights from customer interviews, whereas chapter 5 discusses the key findings in relation to the theoretical framework, limitations, managerial implications, and suggestions for future research.

## **2 Theoretical framework and literature review**

This chapter provides the theoretical foundation for this research, exploring key concepts related to luxury consumption and sustainable luxury. The chapter begins by defining the fundamental concept of a brand and brand associations, highlighting their significance in building consumers' perceptions. Following this, the chapter examines the concept of luxury and the needs and motivations behind luxury consumption. Lastly, the chapter introduces the concept of sustainable luxury, discussing the evolving relationship between luxury and sustainability, the paradoxes within sustainable luxury consumption, and the changing expectations of modern luxury consumers. This theoretical framework establishes the basis for understanding the dynamics of branding and sustainability within the luxury sector.

### **2.1 Luxury brands and luxury consumption**

Brands are more than just the identifiers of products. They represent a set of values, emotions, and experiences that differ them in the minds of consumers. Brands are linked to different associations, shaping how consumers perceive them. In the context of luxury, branding takes on an even deeper meaning, where exclusivity, craftsmanship, and symbolic value for instance play a crucial role (Kapferer, 2015, p. 718). Luxury consumers are driven by diverse needs which luxury brands are trying to fulfill.

#### **2.1.1 The concept of a brand**

According to Keller (2013, p. 30) the concept of a brand has been established over centuries to distinguish and differentiate products and services from one another. A brand is more than just a product, as it includes unique qualities that set it apart from other products and services designed to fulfill the same need (Keller, 2013, p. 31; Ghodeswar, 2008, p. 4). These differences can be tangible, related to product performance, or intangible,

related to emotional appeals (Keller, 2013, p. 31; Ghodeswar, 2008, p. 5). In summary, tangible elements are the physical assets such as quality, while intangible elements refer to the emotional and symbolic aspects, that shape perception and connection with the brand. Unlike a product, which is designed to meet a specific need, a brand has an identity and values that appeal to consumers beyond the physical characteristics of the product. According to Ghodeswar (2008, p. 5), the brand “promise” represents the core benefits, both practical and emotional, that customers can expect when they use a brand’s products or services.

A brand incorporates distinctive brand elements such as its name, logo, symbols, colors, slogans, and packaging (Ghodeswar, 2008, p. 4; Keller, 2013, p. 30). These elements help to identify and differentiate a product or service from others (Keller, 2013, p. 31; Ghodeswar, 2008, p. 4). However, Keller (2013, p. 30) and Kotler (2020, p. 304) emphasizes that brands are much more than just a name or logo. According to Kotler (2020, p. 304) brands embody how consumers perceive and feel about a product, encompassing their perceptions, emotions, and everything the product or service represents to them. When a brand aligns with what consumers deeply care about, it fosters emotional connections that go beyond the product itself (Kotler, 2020, p. 304).

According to Ghodeswar (2008, p. 5), an essential factor in branding is understanding the needs of consumers. Ghodeswar (2008, p. 5) highlights that many brands cater to a combination of functional, experiential, and symbolic needs (Ghodeswar, 2008, p. 5). According to Ghodeswar (2008, p. 5), functional needs are those that drive consumers to look for products or services that solve practical consumption-related problems. A brand with a functional focus aims to meet these externally driven needs (Ghodeswar, 2008, p. 5). According to Ghodeswar (2008, p. 5), experiential needs, on the other hand, center around the desire for sensory enjoyment or mental stimulation. These needs are internally motivated and focus on providing consumers experiences and feelings. Brands with an experiential approach aim to fulfill these desires by their offerings (Ghodeswar, 2008, p. 5). Furthermore, symbolic needs arise from an individual’s desire for self-expression

such as self-enhancement, role position, group membership, or ego identification (Ghodeswar, 2008, p. 5). These needs are more internally driven and tied to how people see themselves or wish to be perceived by others. Brands designed with a symbolic concept seek to connect consumers with their desired self-images (Ghodeswar, 2008, p. 5).

Brand image is a key part of consumer decision-making, as it reflects the associations customers have about the brand and its products (Ghodeswar, 2008, p. 5; Keller, 2013, pp. 73-76). Brand associations can be divided into two main categories: attributes and benefits (Kotler, 2020, p. 309). Attributes refer to the specific features of a product or service, while benefits are the personal meanings that consumers link to them. Attributes are the fundamental details that describe what the product is. Attributes emphasize the specific characteristics or qualities of a product (Kotler, 2020, p. 309), whereas brand benefits highlight the positive outcomes or advantages that its product offers, such as enhanced performance (Kotler, 2020, p. 309). According to Kotler (2020, p. 310) and Henderson and Mihas (2000, p. 113), the most powerful and successful brands transcend simple attribute or benefit positioning. They are built around diverse factors that resonate deeply with consumers (Kotler, 2020, p. 310). According to Henderson and Mihas, 2000, p. 113) strong brands emphasize both functional and emotional benefits that resonate with consumers. A brand represents the company's promise to consistently offer customers a specific mix of features, benefits, and experiences (Kotler, 2020, p. 310).

### **2.1.2 The concept of luxury**

According to Chevalier and Mazzalovo (2021, p. 2) there is no single universal definition of luxury. Also, Aggarwal (2024, p. 181) note that defining and generalizing the terms luxury and a luxury brand is difficult. Additionally, Chandon et al. (2016) and Nwankwo et al. (2014, p. 736) highlight the same, emphasizing that the concept of luxury has evolved into a diverse concept that varies regarding the context and across time. According to Kapferer (2015, p. 717), the concept of luxury has transformed over time from a small

exclusive industry focused on craftsmanship, exclusivity, and long-term client relationships to a dynamic global market (Kapferer, 2015, p. 717).

Luxury is today a complex concept that consumers use not only to express their core values and identity but also to gain social approval (Cuomo et al., 2019, pp. 1-2). It is a multi-faceted discourse that goes beyond the physical features of products or services. Aggarwal (2024, p. 182) suggests that the word luxury is commonly used to describe a product or service that is not essential but valued for its uniqueness, exceptional value, and high-quality craftsmanship, offering customers meaningful satisfaction. According to Gummerus et al. (2024, pp. 184-185) the concept of luxury can be seen as provider-created, emphasizing that luxury is created within the brand, not by the consumers. Gummerus et al. (2024, pp. 184-185) state that from this perspective, luxury can be defined by offering characteristics, strategy, and value proposition. The key features of the offering characteristics are high price, high quality, and craftsmanship. The strategy contains exclusivity, rarity, and controlled distribution, while value proposition includes distinction and heritage (Gummerus et al., 2024, p. 185).

Luxury brands encompasses two main aspects; the productive approach which illustrates how luxury pieces are crafted and the perceptual approach which examines what psychological and social meanings are associated with these pieces (Chevalier & Mazzalovo, 2021, p. 8). From a productive approach, luxury is characterized by the quality of craftsmanship, materials, innovation, and expertise (Chevalier & Mazzalovo, 2021, p. 10). According to Jain (2019, p. 132), Beckham & Voyer (2014, p. 245), and Di Leo et al. (2023, p. 1289), luxury also is consistently linked to attributes such as rarity and exclusivity. Also, Gummerus et al. (2024, p. 185) emphasize the same attributes in the luxury consumption. Moreover, luxury integrates the tradition with contemporary trends and creativity, embracing the merge of heritage and modernity (Chevalier & Mazzalovo, 2021, p. 10). The perceptual approach, on the other hand, focuses on how consumers experience and perceive luxury brands (Chevalier & Mazzalovo, 2021, p. 9). The perceptual approach primarily highlights the social status. Luxury items hold a strong symbolic value, as indi-

viduals can showcase their status and uniqueness via them (Chevalier & Mazzalovo, 2021, p. 9). In addition to social status, luxury is also built on hedonism, personal pleasure, and indulgence (Di Leo et al., 2023, p. 1278; Jain, 2019, pp. 132-133; Beckham & Voyer, 2014, p. 245; Chang et al., 2022, p. 2; Deklihi et al., 2019, pp. 490-491).

### **2.1.3 Luxury consumption**

According to Chevalier and Mazzalovo (2021, p. 161) in the world of luxury, luxury items are more than just the products, they are unique exceptional objects that customers aspire to own. What truly matters is the experience each customer has during the journey of owning the products of the brands over time (Chevalier and Mazzalovo, 2021, p. 161). Luxury brands offer consumers unique experiences and emotions that go beyond what general products provide, allowing consumers to feel connected to their lifestyle and personal stories (Chang et al., 2022, p. 1). According to Jain (2019, p. 132) and Deklihi et al. (2019, pp. 490-491), luxury brands and products transcend necessities and rather are often linked to dreams, desires, or aspirational lifestyles. Luxury brands blend aesthetics and functionality, offering consumers products that provide both personal pleasure and satisfaction (Jain, 2019, p. 132). Luxury brands and luxury consumers represent a unique customer segment, where the focus shifts from utility to emotional and social fulfillment (Chevalier and Mazzalovo, 2021, p. 161). This shift is crucial from a branding perspective, as it significantly influences consumer needs and values within the luxury goods sector.

According to Aggarwal (2024, p. 182), consumer needs are the fundamental base for the consumers to buy luxury goods. These are functional needs, experiential needs, and symbolic needs (Aggarwal, 2024, p. 182; Chandon et al., 2016, p. 301). The functional needs refer to how consumer view the quality of luxury goods and services based on their performance and excellence, whereas the experiential needs are the needs which enhances the sensory pleasure of owning luxury goods (Aggarwal, 2024, p. 182; Chandon et al., 2016, p. 301). As luxury brands and products represent status, prestige, and wealth, the symbolic value comes from enhancing customer's self-image and social recognition (Ag-

garwal, 2024, p. 182; Chandon et al., 2016, p. 301). In the context of luxury, functional needs are usually associated with high-quality standards consumers are expecting from a luxury brand (Aggarwal et al., 2024, p. 181). Experiential needs relate to the personal experience within luxury goods, such as feelings and emotions (Aggarwal et al., 2024, p. 181). Symbolic needs refer to the role of symbolic aspects, such as self-expression, identity, and social status (Aggarwal et al., 2024, p. 181). Luxury as an experience is created by producing symbolic or experiential aspects, in addition to functional factors (Aggarwal et al., 2024, p. 181).

Symbolic and experiential needs are at the core of consuming luxury. Thereby, luxury consumption combines the social aspiration and personal indulgence (Chevalier & Mazzalovo, 2021, p. 11; Jain, 2019, p. 132; Deklihi et al., 2019, pp. 490-491; Lim et al., 2012, pp. 214-215). According to Lim et al. (2012, pp. 212-214), luxury consumers consider emotional and social aspects when purchasing luxury goods. Chevalier and Mazzalovo (2021, p. 9), Aggarwal et al. (2024, p. 181), Deklihi et al. (2019, p. 494), and Kapferer and Bastien (2009, p. 314) state that many luxury purchases are motivated by a desire to belong to a distinct exclusive group of people, illustrating the social aspect of luxury. Kapferer and Bastien (2009, p. 314) note that luxury allow people to shape their social status based on their aspirations. Today, consumers have an opportunity to define their own status (Kapferer and Bastien, 2009, p. 314). Also, Jain (2019, p. 132) highlights the same stating that consumers often consume luxury to showcase status and gain social recognition. Accordingly, Gummerus et al. (2024, p. 186) underline that the value proposition of luxury has historically played a key role in differentiating social classes, and therefore luxury consumption is highly motivated by the desire to showcase status. Thereby, luxury consumption can be seen strongly linked to enhancing social status and to belong a distinct social group. Luxury purchases therefore serve as a form of self-expression, allowing individuals to showcase their identity and social status (Aggarwal et al., 2024, p. 181). Accordingly, motivation to luxury consumption arises from emotional factors rather than practical utilities, embracing that symbolic and emotional aspects are the ones that matter to luxury buyers.

In addition to social aspect, consumers also seek personal pleasure with luxury products, highlighting the hedonistic side of consumption (Chevalier & Mazzalovo, 2021, p. 15; Chang et al., 2022, pp. 3-4). Lim et al. (2012) state that luxury consumers associate owning luxury products with positive emotional experiences, self-confidence, and status validation, enhancing self-image and personal satisfaction. According to Roux et al. (2017, pp. 107-108) consumers associate purchasing luxury with four different attributes: refinement, heritage, exclusivity, and elitism. Consumers expect luxury products to offer more than just functional value (Chevalier and Mazzalovo, 2021, p. 166; Chang et al., 2022, pp. 2-3). The emotional and social dimensions of luxury goods, such as the prestige of owning a rare or iconic item, play a significant role in driving consumer purchases (Chevalier and Mazzalovo, 2021, p. 167; Chang et al., 2022, pp. 2-3; Chandon et al., 2016, p. 301). According to Aggarwal et al. (2024, p. 181), Deklihi et al. (2019, pp. 490-491), and Chandon et al. (2016, p. 301), many luxury purchases are driven by symbolic meaning and enhancing self-worth and improving self-expression. Also, according to Chandon et al. (2016, p. 301), main motivations to purchase luxury goods are psychological benefits like self-esteem. Aggarwal et al. (2024, p. 181) and Deklihi et al. (2019, pp. 490-491) also state that aesthetics and personal enjoyment are key motivators behind many luxury purchases. Consumers often prioritize personal pleasure and aesthetic appeal over rational or utilitarian considerations (Chevalier and Mazzalovo, 2021, p. 168). This aligns with their desire for purchasing experiences that stimulate all the senses, which luxury brands carefully design to make their products more appealing (Chevalier and Mazzalovo, 2021, p. 166).

## **2.2 Sustainable luxury**

Sustainable products are those that offer positive social and environmental benefits to the consumers (Chang et al., 2022, p. 3). The concept of sustainability involves the appreciation of human well-being, improving the quality of life, and commitment to the community (Jain, 2019, p. 132). Sustainable development means meeting today's needs

without compromising the ability of future generations to meet theirs (Jain, 2019, p. 131). According to Chang et al. (2022, p. 4), sustainability is now a key factor in how consumers perceive the value of goods and services. Today more and more consumers are environmentally conscious and prefer brands that operate ethically and prioritize sustainability in their practices (Chang et al., 2022, p. 4; Aggarwal et al., 2024, p. 180), and this is why it is extremely important to understand how sustainability impacts on luxury consumption.

### **2.2.1 Sustainable luxury as a concept**

Over the past few years, the concept of luxury has gone through a significant transition, reshaping the traditional understanding of luxury. While traditional luxury has been linked to exclusivity and rarity, the new luxury embraces exceptionality without being exclusive but rather being accessible (Chevalier & Mazzalovo, 2021, p. 35). According to Chevalier and Mazzalovo (2021, p. 35) new luxury is both exclusive and accessible, and it emphasizes personal fulfillment and authenticity. The key difference between traditional and modern luxury is the relationship between social and individual aspects. The new luxury is more about personal satisfaction and self-expression rather than recognition and status (Chevalier & Mazzalovo, 2021, pp. 33-34; Di Leo et al., 2023, pp. 1274-1275; Nwankwo et al., 2014, p. 736). According to Aggarwal (2024, p. 181), while traditional luxury has long been associated with conspicuous consuming focusing on gaining social recognition and showing wealth, modern luxury consumers' values, on the contrast, are more inconspicuous, emphasizing subtle consumption, meaningful experiences, personal fulfillment, and sustainability (Aggarwal, 2024, p. 181).

Modern luxury is also increasingly tied to values such as social and environmental responsibility, moving away from being solely defined by price or purchasing power. Instead, it now reflects a lifestyle shaped by emotional, experiential, and ethical values (Cuomo et al., 2019, pp. 1-2) emphasizing that modern consumers are not just purchasing luxury products but rather investing in the brand's story, values, and the lifestyle it

represents. Also, worth noting is that while traditional luxury is often associated symbolic and experiential values, for modern luxury consumers the primary reason for choosing sustainable luxury brand is functional value, meaning the product must be durable, crafted carefully, and of the highest quality (Aggarwal, 2024, pp. 186-187). According to Aggarwal (2024, p. 182), these attributes will lead to more positive perception of the brand among sustainable luxury consumers. However, in addition to functional value, also symbolic and experiential value play an important role to sustainable luxury consumers, making these also essential in order to gain social status and enhance self-expression.

The luxury industry has changed and is changing as people's values, beliefs, aspirations, and sense of responsibility evolve over time (Aggarwal et al., 2024, p. 180). Over the past few decades, the growing concentration on sustainability has made many luxury consumers more aware of social and environmental concerns (Chang et al., 2022, p. 1). Adopting responsible and sustainable practices, luxury consumers can encourage green consumption while benefiting both people and the planet. Nowadays, many luxury consumers want to buy high-quality products that have a positive impact on the planet and societies (Aggarwal et al., 2024, p. 180). Thereby, in recent years, the concept of luxury has gradually integrated sustainability into it, driven by the rise of consumers who prioritize sustainable consumption and consciousness (Chang et al., 2022, p. 3; Aggarwal et al., 2024, p. 180, meaning that luxury brands are increasingly adapting their strategies to align with ethical practices, eco-friendly materials, and sustainable production methods. This shift has given rise to the concept of "sustainable luxury" (Chang et al., 2022, p. 1). Sustainable luxury refers to luxury brands that integrate ethical and environmental responsibility to their operations and offerings and aim to provide consumers high-end products with positive social and ecological contributions (Chang et al., 2022, p. 2). According to Di Leo et al. (2023, p. 1277), the concept of sustainable luxury is becoming a highly popular topic. Also, Chang et al. (2022, p. 1) highlight the same. Sustainable luxury is a growing trend and a developing concept that is gaining more influence, especially in the luxury jewelry industry (Chang et al., 2022, p. 1). According to Di Leo et al. (2023, pp.

1274-1275) the concept of sustainable luxury is gaining importance as brands have understood the increasing valuation of sustainability among luxury consumers. Also, Carcano (2013, p. 38) note that luxury brands increasingly view sustainability as a strategic advantage. Accordingly, luxury brands have progressively started promoting their sustainability (Kapferer, 2014, p. 3). The growing consumer awareness of ethical and environmental issues is pushing luxury brands to integrate sustainability into their strategies.

According to several researchers, sustainability and luxury are conflicting concepts. Historically, luxury and sustainability have been seen as incompatible concepts (Di Leo et al., 2023, p. 1277; Kapferer et al., 2014, p. 1; Beckham & Voyer, 2014, p. 245; Cervellon & Shammass, 2013, p. 91; Kunz et al., 2020, p. 560; Rolling and Sadachar, 2018, p. 805; Kapferer & Michaut-Denizeau, 2020, p. 44). According to Di Leo et al. (2023, p. 1289), sustainability requires transparency, ethical practices, and inclusivity, whereas luxury as a concept bases on prestige and exclusivity for instance. According to Beckham and Voyer (2014, p. 245) and Kunz et al. (2020, p. 560), many consumers see these two as conflicting. Beckham and Voyer (2014, p. 245) highlight that luxury is traditionally associated with hedonism, status, affluence, rarity, while the concept of sustainability is linked to restraint, altruism, and moderation. Accordingly, core attributes of luxury goods, are not easily aligned with the principles of environmental conservation. Luxury items are typically associated with personal status, enjoyment, value, rarity, and uniqueness, qualities that do not naturally connect with sustainability (Chang et al., 2022, p. 2; Deklihi et al., 2019, pp. 490-491; Di Leo et al., 2023, pp. 1274-1275). Also, Di Leo et al. (2023, p. 1278) highlight that sustainability and luxury have seen as incompatible concepts, as sustainability includes values like equality and universalism, while the concept of luxury is built on exclusivity and hedonism. Additionally, according to Jain (2019, pp. 132-133), basic values of sustainability like restraint, humanitarianism, and temperance are in complete contrast with luxury values of rarity, hedonism, superfluity, and estheticism. The core ideas of sustainability are mindful consumption of resources, concern for human well-being and environmental needs, and appreciation for simplicity in living, whereas the concept of luxury is linked to seeking pleasure, valuing having more than necessary,

and looking for superficial appeal. Accordingly, consumers feel luxury and sustainability don't inherently go together (Beckham & Voyer, 2014, p. 248). Also, Deklihi et al. (2019, p. 490) states the same, noting that while luxury is often associated with personal pleasure, indulgence, and social status, the concept of sustainability embraces responsibility, social good and restraint. Moreover, sustainability is about appreciating equality and protecting resources, whereas luxury is often linked to using rare materials and incorporating exclusivity (Deklihi et al., 2019, pp. 490).

### **2.2.2 Sustainable luxury as a paradox**

According to Chang et al. (2022, p. 2), there is much opposing data regarding perceptions and consumption of sustainable luxury. While some research data show insights that luxury consumers are interested in purchasing more sustainably and eco-friendly, some research indicates that consumers view sustainable luxury goods as lower quality or less desirable (Chang et al., 2022, pp. 2-3; Deklihi et al., 2019; Beckham & Voyer, 2014, p. 249). According to Beckham and Voyer (2014, p. 247), studies show that consumers view sustainable luxury products less luxurious than traditional luxury products. According to Deklihi et al. (2019, pp. 490-491), sustainability-related attributes, such as eco-friendly materials, are often perceived as reducing the quality of luxury products, and thereby the appeal of them. Di Leo et al. (2023, p. 1278) state that this creates a challenge for luxury brands as they desire to communicate being sustainable without losing their reputation as luxurious and exclusive. Also, Achabou and Dekhili (2013, p. 1899) note that consumers don't see using environmentally friendly materials fitting to luxury sector. Accordingly, Kapferer et al. (2014, p. 1) and Beckham and Voyer (2014, p. 246) state that luxury consumers have mixed views on sustainable luxury and see the concepts of sustainability and luxury as conflicting. Moreover, luxury consumers feel that sustainability takes away the feeling of uniqueness and exclusivity (Beckham & Voyer, 2014, p. 248). According to Achabou and Dekhili (2013, p. 1896), despite of growing consumer concerns about sustainability, sustainable features of luxury products are seen negatively.

In addition to, according to Chang et al. (2022, p. 13), luxury consumers generally show little interest in sustainability when making purchasing decisions. Additionally, Davies et al. (2012, p. 44) emphasize that consumers are significantly less likely to consider ethical factors, such as ethical condition of production, when purchasing luxury goods compared to non-luxury products. Chang et al. (2022, p. 4) and Deklihi et al. (2019, pp. 490-491) note that many luxury consumers rarely prioritize sustainability when purchasing high-end products, as they consider other features more important. Accordingly, Achabou and Dekhili (2013, p. 1896) state that sustainable practices of luxury brands are viewed less important compared to other attributes such as luxury brand reputation and high quality. According to Davies et al. (2012, pp. 43-44), ethical condition of production as a brand attribute ranks the lowest in importance to purchase goods in luxury sector. Also, according to Beckham and Voyer (2014, p. 248), while consumers view the idea of sustainable luxury positively, they don't place great importance on it in decision-making. Additionally, Davies et al. (2012, p. 42) state that although consumers express ethical concerns in their general purchasing habits, they don't always follow the same standards when purchasing luxury goods. According to Deklihi et al. (2019, pp. 490-491), because luxury is linked to indulgence, status, and exclusivity, sustainability is not typically a priority for luxury consumers. Studies show that purchase intentions decrease, especially when luxury attributes are seen as lacking, even if the product's sustainability is highly rated (Chang et al., 2022, p. 4; Deklihi et al., 2019, pp. 490). According to Kapferer et al. (2014, p. 10) only about 35% of luxury consumers consider sustainability when purchasing luxury products indicating that it isn't main attribute in decision-making. Deklihi et al. (2019, pp. 490-491) highlight that luxury consumers prioritize brand attributes such as high-quality craftsmanship, brand heritage, and rarity over sustainability. Also, according to Cuomo et al (2019), consumers criticize luxury brands that harm the environment while exhibiting comparatively less interest in those that actively promote sustainable practices. Accordingly, although many luxury consumers are aware of ethical concerns, many research reveals that they are unlikely to take them into account during key moments of purchasing a luxury product (Chang et al., 2022, p. 11). Thereby, even if sustain-

ability is considered positively, it doesn't necessarily mean that a luxury consumers would choose a sustainable luxury product over a traditional luxury product.

On the other hand, many studies reveal that consumers highly value the sustainable aspects of luxury products (Chang et al., 2022, p. 4; Aggarwal et al., 2024, p. 180; Jain, 2019, p. 132; Cuomo et al., 2019, p. 67). In contrast to studies suggesting that sustainability makes luxury products less appealing, Rolling and Sadachar (2018, p. 810) argue that sustainable practices don't decrease the appeal of luxury goods. While sustainability and luxury has been historically seen as opposites, according to Cervellon and Shammas (2013, p. 91), they are today viewed more like complementary. According to Rolling and Sadachar (2018, p. 810), the concepts of sustainability and luxury aren't thereby conflicting. Many consumers don't see sustainable luxury as a paradox, but rather they believe that luxury brands can be both exclusive and conscious. Accordingly, Di Leo et al. (2023, o. 1275) state that today luxury consumers value highly sustainable and ethical products, like products that are cruelty-free, made with sustainable materials, and produced under fair conditions. Also, Di Leo et al. (2023, p. 1274) highlight that luxury consumers are shifting from traditional luxury brands to brands that prioritize sustainability.

According to Chang et al. (2022, p. 4) and Jain (2019, p. 132) there are many studies showing consumers prioritize supporting social responsibility when buying luxury goods and see sustainability-related attributes as important. According to Di Leo et al. (2023, p. 1275) consumers increasingly consider sustainability in their decision-making, like sustainable materials and processes. Additionally, according to Carcano (2013, p. 40), many consumers don't want to purchase high value products that do not meet ethical standards, like

products made with materials that harm environment, sourced from questionable origins, or produced under unethical working conditions. According to Di Leo et al. (2023, p. 1274), luxury consumers are increasingly interested in sustainable factors in luxury goods, such as social sustainability and environmental impact. Also, Kapferer et al. (2014, p. 6) highlight that modern consumers increasingly expect brands to be more transpar-

ent about their supply chains and production processes. According to Di Leo et al. (2023, p. 1277), many consumers with a high purchasing power are increasingly interested in environment and environmental issues. Aggarwal (2024, p. 181) also notes that latest research has shown shift in luxury consumer attitudes, moving from being conspicuous to be a more conscientious. Modern sustainable luxury consumers favor brands and products that do no harm and rather do good (Jain, 2019, p. 132). Thereby luxury and sustainability cannot be seen as clearly opposite concepts but rather connected concepts that aligns with changing consumer expectations and market trends (Jain, 2019, p. 132).

Furthermore, Aggarwal (2024, p. 181) highlights that in addition to sustainability, modern luxury consumers value conscious consumption, personal fulfillment, and meaningful experiences (Aggarwal, 2024, p. 181). Jain (2019, pp. 130-132) also notes that today's consumers prefer to consume ethical and environmentally friendly products that reflect their values and beliefs. In addition to, Chevalier and Mazzalovo (2021) state the same. Modern luxury consumers demand both personalization and ecological responsibility (Chevalier and Mazzalovo, 2021, p. 169). They prefer products that reflect their individuality while aligning with global sustainability efforts (Chevalier and Mazzalovo, 2021, p. 169). Accordingly, Aggarwal et al. (2024, p. 180) and Jain (2019, p. 130) note that nowadays luxury consumers want to consume high-quality products that have a positive impact on the planet and societies. Cuomo et al. (2019, pp. 1-2) also state that sustainability is no longer perceived merely as an additional aspect of luxury products, instead it is a key feature of luxury. According to Cuomo et al. (2019, pp. 1-2) consumers expect luxury brands to authentically prioritize environmental and social responsibility as fundamental aspects of their mission and values.

Moreover, numerous studies also show metrics indicating that luxury consumers perceive sustainable luxury positively. According to a study within luxury jewelry industry, more than half of the consumers strongly preferred eco-conscious option (Chang et al., 2022, p. 13). Also, Jain (2019, pp. 130-131) highlights that many studies have identified

significant shifts in how consumers prioritize sustainability. Additionally, according to Aggarwal et al. (2024, p. 180) most of the Gen Z and Millennial luxury consumers, who make up 60% of the luxury consumers, are interested in brands' sustainability, such as where materials come from, how companies treat their employees, and how sustainable their stores are. Also, according to Chang et al. (2022, p. 4), 30% to 40% of luxury consumers can be classified as sustainable luxury consumers. Accordingly, Aggarwal (2024, p. 181) evaluates that approximately up to 60% of the luxury consumers are sustainable luxury consumers.

However, according to Deklihi et al. (2019, pp. 494, 500-501) consumers' backgrounds with consuming luxury have an impact on how they perceive sustainable luxury. Consumers who buy luxury products more often tend to view sustainability-related attributes more negatively, while consumers who invest in luxury products rarely are more open to sustainable luxury and have more positive perception of sustainability in luxury consumption. Also, Achabou and Deklihi (2014, p. 1901) state the same, evaluating that occasional luxury consumers are more open to environmentally friendly products crafted with recycled materials, than those consumers who buy luxury frequently. Additionally, Deklihi et al. (2019, pp. 489-490, 495-496) highlight that there are large differences on consumers' awareness of sustainability, affecting luxury consumers perceptions of sustainable luxury. According to Chang et al. (2022) and Davies et al. (2012, p. 45), a lack of sustainable luxury consumption is often due to limited information. Chang et al. (2022) and Davies et al. (2012, p. 46) note that many luxury consumers believe that luxury brands are inherently sustainable. Additionally, there are some luxury consumers thinking luxury does not harm the planet, meaning that some luxury buyers don't have the enough understanding to pay attention to sustainability (Chang et al., 2022, p. 4). According to Kapferer et al. (2014, pp. 4-5) consumers pay less attention to the luxury sector compared to the industries with larger environmental impact. In addition to, since luxury products are purchased less often, consumers feel less pressure to consider sustainability when buying them (Kapferer et al., 2014, pp. 4-5). Davies et al. (2012, p. 45) and Kapferer and Michaut-Denizeau (2020, p. 42) highlight the same, noting that con-

sumers focus sustainable factors for frequent everyday purchases, rather than occasional luxury purchases.

Moreover, although some consumers value sustainable practices, some consumers also perceive sustainable luxury products as more expensive, affecting negatively to their motivation to purchase (Chang et al., 2022, p. 4). While consumers take ethical concerns into account when making purchases, they are unwilling to pay a higher price for them in order to embrace sustainable consumption (Chang et al., 2022, p. 4). Also, Davies et al. (2012, p. 42) state that many consumers believe ethical products are always more expensive, affecting negatively on decision-making. In reality, sustainable luxury products aren't necessarily more expensive, showing that the lack of information reinforces this consumer perception. In addition to, Cervellon and Shammass (2013) and Jain (2019, p. 132) highlight that sustainable luxury is perceived differently across cultures, with some cultures focusing more on ego-centred values and some eco-centred. Ego-centred values feature for example guilt-free consumption and hedonism, while eco-centred values include ethical production and environmental responsibility (Cervellon & Shammass, 2013; Jain, 2019, p. 132).

**Table 1.** The attributes of sustainable luxury and traditional luxury

<b>Sustainable luxury</b>
Ethical production
Environmental responsibility
Transparency
Longevity and durability
Altruism and purpose-driven
Functional value
More accessible
High-quality craftsmanship

<b>Traditional luxury</b>
Rarity
Exclusivity
Heritage
High price
Status
Hedonism and emotional value
Prestige
Craftsmanship and artistry

### 3 Research methodology

#### 3.1 Research approach, data collection, and data analysis

This research adopts a qualitative approach, utilizing semi-structured interviews as the primary data collection method. According to Aspers and Corte (2019, pp. 139-140), the qualitative research is a process where deeper understanding is gained by identifying important new insights through close examination. Qualitative research is an approach that seeks to understand people's experiences, perspectives, and interactions (Flick, 2018, pp. 2-3). It focuses on how people perceive the world, aiming to understand people's perspectives and meanings (Flick, 2018, pp. 2-3). Qualitative research explores the relationships between different concepts which can change during the research process, while quantitative research focus on pre-defined variables without introducing new ideas (Aspers and Corte, 2019, pp. 146-147; Flick, 2018, pp. 30-31). Flick (2018, pp. 30-31) highlight that qualitative research is evolving and reflective throughout the process, emphasizing that researches can adapt their approach as new insights arise. Thereby, there is often no fixed research design or variables at the beginning of the research, and rather they develop during the research (Flick, 2018, pp. 30-31). According to Lincoln (2021, pp. 3-5), qualitative research is an excellent choice for understanding the nuances of human experience, allowing for a comprehensive exploration of the personal perceptions, which quantitative methods may fail to capture. Thereby, a qualitative approach is particularly well-suited for this study as it allows for an in-depth exploration of Karaat Jewelry's customers' perceptions and motivations, particularly concerning complex topics such as sustainable luxury.

According to Chali et al. (2022, p. 2956) and Flick (2018, pp. 2-3), in qualitative research, data can be collected through observation, documentation, audiovisual data, and interviews. Despite the new methods of qualitative data collection, the interview remains as the most applied approach (Dowling et al., 2016). Also, Flick (2018, p. 96) state the same, highlighting that interview is one of the most used methods in qualitative research. Ac-

According to Dowling et al. (2016), interviews are still widely used because they are an effective way to understand how people experience and perceive things. According to Lincoln (2021, p. 148), interviews represent one of the most powerful techniques for data collection. Interviews function as purposeful conversations (Lincoln, 2021, p. 109), that produce a deeper understanding of participants' experiences and motivations.

Interviewing is utilized in this thesis for its flexibility and effectiveness in providing rich, qualitative data. Through a combination of planned questions and the opportunity for clarifying follow-up questions (Lincoln, 2021, p. 111), interviews allow researchers to explore complex themes and clarify responses, thereby generating rich qualitative data. Also, Flick (2018, p. 98) highlight that interview is a great method as it is flexible, iterative, and continuous. With this method, study can evolve based on findings, allowing researchers to dynamically present new questions (Flick, 2018, p. 98). This dynamic interaction fosters a dialogue, enabling researchers to discover nuanced insights (Lincoln, 2021, p. 111), that may not emerge through more structured data collection methods. Ultimately, interviews serve as a powerful tool for gathering in-depth information, supporting the exploration of the topics being studied. Engaging directly with Karaat Jewelry's customers allows for a detailed examination behind their perceptions. Interviewing customers can explain the critical factors influencing their perceptions and purchase decisions and how these are affected by the brand's sustainability.

There are many distinct interview methods, such as traditional single interviews, group interviews, and narrative interviews (Flick, 2018, p. 97). Among various interview methods, this thesis will utilize semi-structured single interviews as they allow for a guided conversation while still enabling participants to express their thoughts and feelings freely. This is crucial when exploring consumer perceptions and purchase decisions, as it encourages respondents to explain their personal viewpoints, which can lead to richer data. In this study, the semi-structured format will allow the interviewer to follow up on interesting points raised by participants, fostering a more interactive dialogue. This flexi-

bility is particularly beneficial in understanding how sustainability impacts on consumer perceptions and purchase decisions.

Sampling is a key feature of research design, influencing what data is collected and how comparisons are made (Flick, 2018, p. 33). Sampling in qualitative research means choosing the right cases, groups, and materials to study from a large number of possible options (Flick, 2018, p. 47). According to Flick (2018, p. 58-59), sampling can be based on formal or purposive selection, and it can take place at different levels, such as people, sites, and materials. In this case study, the sample is Karaat Jewelry's customers and interviewees are selected using criterion-based sampling. The participants are chosen from Karaat's customer base and consist of Finnish women aged 25–35 who purchase luxury products, such as diamond jewelry, more than once a year. Since different age groups, cultures, and genders may perceive the topic in varying ways, the study focuses only on this fixed demographic group. By using purposeful criterion-based sampling, the research aims to collect the most relevant and insightful data possible, giving deeper understanding of perceptions of frequent female luxury consumers in a specific age group. Also, keeping age and gender constant helps identify patterns and themes that are not influenced by demographic variation. According to Boddy (2016, p. 426), in qualitative research the sample size depends on the context and the research approach. Some studies require larger samples, whereas in-depth qualitative research can work with smaller samples (Bobby, 2016, p. 426). This research features interviews with ten customers who have purchased from Karaat Jewelry.

According to Flick (2018, p. 126-128), coding and categorizing are the most used analysis techniques among qualitative interviews. Coding and categorizing are used for analyzing qualitative data by identifying relevant data categories and comparing them (Flick, 2018, p. 126-128). To analyze the data collected from the interviews, thematic analysis and categorizing technique will be utilized. The analysis will include coding process, where emerging themes, observations, and meanings will be identified from the interviews.

Based on these, codes will be grouped into broader categories, which will be then organized under main themes.

Thematic analysis is recognized for its ability to identify patterns within qualitative data (Braun & Clarke, p. 295), making it a suitable choice for this research. Using thematic analysis will help analyzing consumer responses and identify arising themes (Braun & Clarke, p. 77), showing how Karaat Jewelry's customers view sustainability in the luxury jewelry market. According to Flick (2018, p. 127), comparisons with categorizing can be done within category, within a case, or between the cases. In this research, the level of 'between the cases' will be utilized, comparing responses from different interviewees. The comparison will be provided across the entire interview, not just at the level of one specific topic.

In conclusion, the qualitative approach and semi-structured interviews are well-justified choices for this research, allowing for a comprehensive exploration of the relationships between sustainability and luxury. By studying the connection between these themes, this study aims to generate rich insights that provide to the understanding of sustainability in luxury consumption.

**Table 2.** Profiles of interview respondents

<b>Respondents</b>	<b>Age</b>	<b>Annual luxury purchase frequency</b>	<b>Length of interview</b>
Respondent 1	25	1-3	60 min
Respondent 2	30	1-2	60 min
Respondent 3	28	1-2	75 min
Respondent 4	31	5-8	60 min
Respondent 5	28	1-3	60 min
Respondent 6	25	4-6	75 min
Respondent 7	28	5-10	60 min

Respondent 8	31	5-8	75 min
Respondent 9	30	1-3	60 min
Respondent 10	27	4-6	75 min

### 3.2 The case company

The focus of this study will be on the luxury market, especially on the luxury jewelry market. The interviews address the themes of the thesis both in the general context of luxury and more specifically within the context of luxury jewelry, particularly regarding diamond jewelry. Diamond jewelry market is a great example of a luxury market that has undergone substantial changes because of the increasing consumer demand for ethically sourced products. In recent years, traditional diamond jewelry industry has been facing significant criticism and concerns regarding ethical practices and environmental impact (Baker, 2023) such as labor exploitation, environmental degradation, and the carbon footprint associated with diamond mining. According to Conti (2023, p. 1), the diamond industry has experienced a significant increase in consumer demand for ethically sourced options, like lab-grown diamonds. This context has created an opportunity for more sustainable luxury firms to emerge and expand as consumers are seeking alternatives that align with their modern values. As consumers have become more aware of sustainability and the importance of ethical and eco-friendly consumption (Keech et al., 2018, p. 581), lab-grown diamonds have gained popularity as the ideal alternative to mined diamonds as lab-grown diamonds don't require mining. Keech et al. (2018) report that demand for sustainable, ethical, and environmentally friendly products has increased distinctly in recent years which has significantly transformed the traditional diamond jewelry industry.

The case company of this thesis is Karaat Jewelry. Karaat Jewelry is a Finnish lab-grown diamond jewelry brand that operates in the luxury market, particularly in the diamond jewelry market. Karaat Jewelry aims to appeal the modern luxury consumer base by of-

fering them sustainable option, lab-grown diamonds. Karaat Jewelry has positioned itself as a brand committed to both sustainability, high quality, and luxury craftsmanship. Karaat Jewelry's commitment to sustainability extends beyond its use of lab-grown diamonds: it encompasses a comprehensive approach that includes eco-friendly practices, ethical sourcing, and transparent communication with consumers. By implementing a comprehensive branding strategy that integrates sustainability and aligns with modern consumer values, Karaat Jewelry aims to attract environmentally conscious luxury consumers.

As noted in the theoretical framework, there is conflicting information regarding how much consumers value a luxury brand's sustainability, how much it influences their purchase decisions, and whether the impact is positive or negative. Therefore, Karaat Jewelry seeks to understand how its existing customers have ranked sustainability in comparison to other factors in luxury consumption, and how they generally view the concept of sustainable luxury. Thereby, the focus of this thesis arises from the need to better understand how sustainability influences luxury consumer perceptions. Specifically, the motivation for this research lies in the need for comprehensive data regarding the impact of Karaat Jewelry's sustainability on consumer perceptions and purchase decisions. Additionally, this thesis also addresses a critical gap in the diamond jewelry market, where limited research has been conducted on the connection of sustainability, luxury, and branding. By examining these dynamics, the study will provide Karaat Jewelry valuable insights to enhance its branding strategies and better align its branding efforts with consumer values.

### **3.3 The quality of data**

In qualitative research, it is important to show that the data is trustworthy and of high quality. To do this, four key criteria are commonly used: credibility, transferability, dependability, and confirmability (Lim, 2024, p. 24-26). These concepts help researchers show that their study is done carefully and that the findings are believable. According to

Lim (2024), these four concepts are the qualitative equivalent of validity and reliability in quantitative research.

Credibility means how believable and trustworthy the findings are. It's about making sure that the results truly reflect what the participants said and meant (Lim, 2024, p. 24). Researchers improve credibility by using methods like member checking and triangulation (Lim, 2024, p. 24). In this thesis, credibility was improved by selecting participants who were well-suited to the topic and context, as well as through the researcher's in-depth understanding of the subject. Also, the researcher stayed aware of their influence and tried to understand and describe the participants' experiences in an honest and fair way. Also, triangulation was used by collecting data from multiple participants and comparing it with existing theories.

Transferability means how well the results can fit to other situations. It's not about generalizing like in quantitative research, but about giving detailed descriptions so that readers can decide if the results might be relevant elsewhere (Lim, 2024, p. 24). The study offers detailed descriptions of the context, participants, and the brand being studied: Finnish women aged 25–35 who are customers of Karaat Jewelry. The luxury jewelry market is also explained in a detailed way. This information help readers understand the setting and context, so they can decide whether the findings might apply to other luxury consumers or brands, or not.

Dependability means how consistent and reliable the research process is. It involves keeping a clear record of how the study was done (Lim, 2024, p. 24). It means that the research is done in a logical and well-documented way, so that others can understand how the study was conducted. This study carefully explains the research design, sampling method, interview process, and data analysis. By documenting the interviews and showing how themes and categories of the findings were developed from the data, this thesis provides a clear picture of the study and thereby supports the stability and reliability.

Confirmability means that the results of the research are based on what the participants truly said, not on the researcher's personal opinions or assumptions (Lim, 2024, p. 24). This is done by being reflexive and keeping an audit trail (Lim, 2024, p. 24). In this thesis, confirmability was supported by using direct quotes from the interviews to show the participants' real voices and opinions. The researcher also stayed reflexive and made sure not to let them influence how the data was understood. This helped ensure that the findings were fair, honest, and truly reflected what the participants shared.

## 4 Findings

This research was conducted through open, semi-structured individual interviews. The aim of the study was to deepen the understanding of sustainable luxury consumption from the perspective of Karaat Jewelry customers. The interviews addressed luxury consumption both in general and in the context of Karaat. Among the participants, luxury consumption was most commonly associated with fashion and accessories. In the findings, it is specified when a finding relates only to Karaat context. Ten customers of Karaat Jewelry participated in the interviews, all of them Finnish female luxury consumers. While the interviews were guided by a pre-formulated set of questions, the interview format remained open, and participants were given the freedom to shape the conversation based on their own thoughts and experiences. As a result, conversations brought out many personal insights and meaningful observations. Findings from the interviews are grouped into broader categories, which are organized under three main themes. The following sections present the key findings based on the analysis, by theme and category.

### 4.1 Theme 1: Luxury and luxury consumption

#### 4.1.1 Category 1: Definition and meaning of luxury

***Key finding: Luxury is not defined solely by high price or exclusivity, but by a combination of high-quality craftsmanship, emotional and aesthetic value, and alignment with personal identity and lifestyle.***

Participants shared a strong, common view that luxury, in general, is not just an ordinary product, it is deeply connected to high-quality craftsmanship, emotional experience, and aesthetic appreciation. They consistently described luxury as something that goes beyond the physical object, it is carefully chosen, beautifully made, long-lasting, and emo-

tionally meaningful. Most participants emphasized luxury as a mix of high quality, beautiful aesthetics, and exclusivity.

Talking generally about luxury purchases, they were not seen as impulsive, but rather as well-considered choices, often involving a sense of specialness and personal meaning. Eight out of ten participants described luxury as something built around lasting and well-considered choices. They felt it's important that luxury purchases aren't impulsive decisions but done with careful consideration. That makes it feel even more like luxury, especially when you need to save money to purchase it.

*"If we're talking about something that costs over a thousand euros, then I really compare and think it through before buying, I actually do my own research and comparisons." (Respondent 10)*

*"I have considered a luxury jewelry purchase for several months because I wanted to make sure it fit my style, would last over time, and was high-quality." (Respondent 4)*

*"To me, luxury means that you've carefully thought it through and then buy something you've been dreaming of." (Respondent 9)*

*"A luxury product for me is something made of high-quality, durable material that looks beautiful, and it's finished perfectly." (Respondent 4)*

The role of quality, durability, and longevity were highlighted in every interview, both in luxury consumption generally and in luxury jewelry purchases. Luxury was often seen as something that lasts for years, even decades, and doesn't lose its value over time. Participants felt that a true luxury product is different because it doesn't need to be replaced all the time. Several also mentioned that a high-quality luxury item can last for generations and remain as a meaningful heirloom. This was especially apparent in the context of luxury jewelry. The words durability, quality, and long-lasting came up repeatedly in defining luxury. In the context of Karaat Jewelry, luxury was particularly associated with functional value, particularly quality and durability. All participants emphasized that they purchase luxury jewelry primarily for its quality, in the context of Karaat for high-quality diamonds and 18k gold. They noted that a piece doesn't feel truly luxurious if, for example, it's from

a well-known luxury brand but isn't made of solid gold. More broadly, when discussing luxury in general, many participants expressed concern about major luxury brands like Chanel shifting their traditional handmade production to automated manufacturing in China. This change was perceived as diminishing the sense of luxury and quality.

*"My designer bag has been in use for 10 years and is still in good condition." (Respondent 7)*

*"If I buy something luxurious, I want it to stay good for a long time." (Respondent 8)*

*"I buy more rarely, but when I do, I want it to last and keep its value." (Respondent 6)*

*"High-quality craftsmanship is luxury for me." (Respondent 9)*

*"If I buy a luxury product, I expect and want it to be high-quality too." (Respondent 5)*

*"The first thing that comes to mind when I think of luxury is quality." (Respondent 10)*

*"I was with my friend when she bought a very expensive piece of jewelry from a well-known luxury brand, but the quality was terrible, it wasn't real gold or real diamonds. I remember thinking there's no way I could ever buy jewelry of such poor quality. When I buy luxury jewelry, I prefer to buy from places like Karaat, because I know the quality will last practically forever." (Respondent 8)*

*"For me, luxury means... well, quality. For example, if we're talking about clothing or a bag, the material should be durable and high-quality, and the product should be well-finished." (Respondent 4)*

Many participants pointed out that buying or using a luxury, such as fashion or accessories, isn't just about having something expensive, it's about how it makes you feel. They described luxury as a feeling that enhances your sense of self-worth and personal value. Treating yourself, enjoying aesthetics, and feeling emotionally connected to the product were all part of what made something feel luxurious. In the context of Karaat Jewelry, the feeling of luxury was primarily associated with the use and ownership of real diamonds. Participants felt they were treating themselves when purchasing diamonds. Moreover, they shared wearing real diamonds made them feel more valuable, enhancing

the recognition of self-worth. Based on this study, the luxury item can function as a symbol of self-recognition and a way to value yourself.

*“Using luxury items gives me a confidence boost and makes me feel good.” (Respondent 8)*

*“Luxury for me is that valuable feeling of wearing luxurious materials, like real diamonds, not fake ones.” (Respondent 6)*

The idea of exclusivity also appeared in many answers, when discussing about luxury in general. Exclusivity and high price were mentioned in nearly every response regarding defining luxury. They were seen as part of luxury, but not perceived as primary definition of luxury. Instead, these features were explained more symbolically: they show individuality and uniqueness, not just wealth. Luxury was linked to the idea that not everyone has the same product. A high price wasn't seen as valuable on its own, but acceptable if the product met expectations in terms of quality, uniqueness, and luxury experience. Some participants said they don't aim for the most expensive option, but look for something that matches their own values, taste, and expectations of quality. Many also emphasized that they don't look for luxury just for the high price tag, but for something that suits their own values and style.

*“Not everyone can afford it, and maybe that increase the appeal, it's not available to everyone, so it feels more unique.” (Respondent 10)*

*“There's definitely a certain exclusivity to it, it's not something that's available to everyone. You can't just go out and buy it, you have to save up and really think it through.” (Respondent 4)*

*“When it becomes available to everyone, it might start to feel too ordinary, because exclusivity is an essential part of what defines luxury.” (Respondent 2)*

*“Exclusivity is also part of it, like not everyone has that same item.” (Respondent 9)*

Visuality and aesthetics came up in almost every answer when discussing generally about definition of luxury. Many participants stressed that a luxury product should be visually pleasing and reflect personal taste. Several noted that a luxury item should be

beautiful, but not necessarily “flashy”, it should match the user’s style and bring aesthetic pleasure. Along with visual appeal of a product, participants also highlighted how the product is packaged or presented, these little details enhance the luxury experience.

*“I don’t think luxury always has to be flashy, it can be very subtle too, but still stylish and valuable.” (Respondent 3)*

*“It’s not just the product’s visual appeal but also how it’s packaged or displayed, those things make it special.” (Respondent 4)*

*“Luxury product definitely has to be visually appealing. Appearance matters a lot, because if I don’t like the design, then I have no reason to buy it.” (Respondent 6)*

In addition to, all participants mentioned in one way or another that luxury, in general, can be understood in many different ways, and that its meaning has changed over time. According to respondents, there is a clear difference between traditional and modern luxury. The respondents recognized a distinction between well-known traditional luxury brands and newer modern ones. A key difference was in sustainability and modern values of the brands like transparency and ethical production. According to the interviews, it was evident that Karaat Jewelry was seen as representing modern luxury. Many participants noted that today, luxury isn’t just Hermès or Chanel, luxury can also be found in new, smaller brands, like Karaat Jewelry, that focus on beautiful design as well as high quality and sustainability. Traditional luxury was often linked to status symbols, strong brands, and expensive items. This image of luxury represents exclusivity through limitation and difficulty of access. In contrast, modern luxury was seen as more accessible, sustainable, and personal. It could mean quiet luxury, subtle aesthetics, beautiful and durable everyday luxury products. Many participants felt that modern luxury is more about personal experience than showing the status. According to this view, luxury can be for example simple, well-designed piece of jewelry with emotional value or meaning.

*“These days, I value those new modern luxury brands more, the ones that have responsibility at their core from the start.” (Respondent 6)*

*“I think that nowadays, when new luxury brands emerge, they often take sustainability into account, whereas older luxury brands tend not to.” (Respondent 10)*

*“Luxury is nowadays also quiet, not so visible, no big logos.” (Respondent 7)*

*“For example, Hermès is a brand that everyone knows, and then there’s Karaat, which is a small Finnish brand, but I still see them as two different types of luxury. They’re both luxury, just in different ways.” (Respondent 6)*

*“To me, modern luxury is more like the beautiful things in everyday life that combine style, aesthetics, quality, and ethics.” (Respondent 1)*

*“Luxury is no longer about showing things, like status, to others, it’s about how it makes me feel.” (Respondent 8)*

*“Status might have mattered when I was younger, but now that’s totally gone.” (Respondent 10)*

So, while high price, status, and exclusivity are still connected to luxury, the focus has shifted more toward meaningfulness, longevity, and how a product makes someone feel. This shows that the traditional view of luxury still exists, but alongside it, a new way of seeing and experiencing luxury has emerged: quieter, more meaningful, and value-driven.

#### **4.1.2 Category 2: Motivation for luxury consumption**

***Key finding: Luxury consumption is driven by functional value, emotional self-indulgence, meaningfulness, and identity expression, status playing a minor role.***

In the interviews, two main types of motivation for luxury consumption, in general, emerged: functional and experiential motivations. While these two were particularly dominant, symbolic needs also had an influence, just a smaller one. For respondents, luxury consumption was mainly related to buying fashion and accessories. For the functional side, participants especially mentioned product durability, the quality of materials, and longevity, both in the context of luxury jewelry and in luxury consumption generally. All interviewees stated that they choose luxury products for their ability to endure every-

day use and maintain their quality over time. These purchases weren't seen as unnecessary or superficial, but rather as smart investments.

*"I want to find those go-to items in my life that are durable and that I can use even decades from now." (Respondent 9)*

*"If I'm putting money into a product, then it has to be something 'forever' kind of thing." (Respondent 5)*

*"Luxury products are ones that truly last in use. I'd be willing to spend quite a lot of money to get something that's really durable." (Respondent 3)*

Experiential motivations also played a strong role, with multiple participants noting that they buy luxury when they want to indulge in with the luxury buying experience and the feelings when wearing luxury. Treating yourself, enjoying aesthetics, and having an emotional connection to the product were key reasons for buying luxury. The feeling the product gave was especially important, the purchase had to feel personal and meaningful. Experiential motivations were also closely connected to different milestones of life. Many interviewees shared that a luxury purchase was a way to celebrate a personal achievement or mark a special moment. In the context of Karaat Jewelry, it was clear that everyone shared a meaningful connection with their jewelry. Karaat pieces often served as symbols of love or self-appreciation, each carrying its own unique story and meaning. In this study's context, the luxury item served as a symbol of life's special moments, like engagements and career achievements for instance.

*"When I go into a luxury store and they offer me a drink and some chocolate, that's luxury." (Respondent 4)*

*"Yeah, the feeling is more valuable and better when you're wearing luxury products." (Respondent 10)*

*"I can buy a diamond ring for myself if I've achieved something big at work or graduated from university." (Respondent 8)*

Interestingly, very few participants connected luxury consumption to showcasing status, when discussing luxury purchases in general. Seven out of ten interviewees clearly re-

jected the idea that luxury is about signaling wealth or gaining social recognition. Instead, participants emphasized the personal significance of luxury items. It was much more important that the product felt personally meaningful and fit their own style and identity. In this way, luxury consumption was seen more as an internal experience, not something external. Symbolic aspects, like expressing identity, still mattered, but showing status was not a key motivation. Again, seven out of ten said they don't want their luxury purchases to display social rank, but rather reflect their personal values and style. While status signaling continues to play a role in luxury consumption, the traditional idea of luxury as a status symbol appears to be evolving. The expression of self and identity emerged as an important aspect. The participants noted that a luxury product can function as a tool for self-expression, reflecting user's identity. A thoughtfully chosen ring or high-quality handbag can reflect the buyer's values, lifestyle, or aesthetic taste, rather than attempts to gain social approval. In the context of Karaat Jewelry, many chose to buy jewelry from the brand as they wanted to be seen as conscious consumers and also to showcase their timeless and elegant style.

*"I buy it because it makes me feel special and valuable." (Respondent 10)*

*"Status isn't important to me, personally, it's just not what luxury is about for me." (Respondent 3)*

*"Status isn't important, in fact, it's more about quiet luxury for me, than showing off." (Respondent 2)*

*"I want the luxury products I buy to match my style and express my values, show what kind of consumer I am." (Respondent 7)*

## **4.2 Theme 2: Perceptions of sustainable luxury**

### **4.2.1 Category 1: Compatibility of luxury and sustainability**

***Key finding: Luxury and sustainability are compatible, but not automatically connected - consumer trust is fragile, authenticity and transparency are key to building trust.***

All participants considered luxury and sustainability to be compatible concepts, both in the context of luxury jewelry and in luxury market more broadly. Rather than seeing conflicting, the combination was viewed as a natural direction for modern consumption. Luxury no longer has to be based on overconsumption or ethically questionable practices, it can also include values such as environmental and social responsibility. At the same time, many participants acknowledged that sustainability is not automatically associated with luxury. Several pointed out that although sustainable luxury is both possible and desirable, it is not currently the norm in the luxury sector. There was a clear understanding that many traditional luxury brands have not historically been transparent about their production practices and are not known for particularly sustainable operations, shaping participants' trust. While they viewed sustainable luxury positively, their confidence was fragile. Skepticism towards sustainability claims was particularly evident in discussions about greenwashing. Participants expressed doubts about brands that claim to be sustainable without providing clear evidence. They stressed the importance of authenticity and concrete actions over rhetoric marketing communication. To build trust, sustainability must be genuinely embedded in the brand's business model, not just used for branding.

*"In my opinion, luxury also means that ethical and environmental issues have been taken into account." (Respondent 4)*

*"Nowadays, sustainability and transparency are also part of what makes something luxury." (Respondent 2)*

*"For me, sustainability and luxury go hand in hand, especially with modern luxury brands." (Respondent 3)*

*"I don't directly associate luxury with sustainability in any way. But at the same time, it's a big plus if a luxury brand can also be sustainable." (Respondent 10)*

*"Yeah, I don't directly associate luxury brands with being sustainable. I don't get an immediate impression that they are responsible in that way." (Respondent 7)*

*"I don't really associate them directly with sustainability, and honestly, I'm not sure if they're actually sustainable." (Respondent 9)*

*“Sustainability is not a given in a luxury brand, I used to think it was, but now I know it’s not.” (Respondent 1)*

*“Just because a luxury brand says it’s sustainable doesn’t mean anything to me, when you look more closely, there’s no sign of actual sustainability, it’s just greenwashing.” (Respondent 1)*

An interesting observation was that the perceived gap between traditional and modern luxury also emerged in this context. Several participants felt that newer and smaller brands are better in integrating sustainability into their core values. In contrast, traditional luxury brands were more often seen as distant and slower to change, which made their claims about sustainability seem less credible.

*“I think many new modern luxury brands start off with sustainability as a foundation, it’s not an add-on but the base.” (Respondent 3)*

*“I kind of feel like some big luxury brands are just doing surface-level greenwashing, not anything truly sustainable.” (Respondent 1)*

*“I don’t associate luxury with sustainability. Especially with the big, well-known luxury brands, there’s a bit of uncertainty, like, are they actually sustainable or not.” (Respondent 5)*

To summarize, participants saw luxury and sustainability as fully compatible, but combining them in practice requires authenticity, transparency, and long-term commitment from brands. Moreover, sustainability was more easily associated with modern luxury brands than with traditional well-known luxury brands. Consumers are open to trusting a luxury brand’s sustainability, but not blindly. They expect real proof, not just claims. Overall, participants hoped that all luxury would become sustainable in the future, even if that is not yet the current reality.

#### 4.2.2 Category 2: How sustainability shapes the luxury perception

**Key finding: Sustainability is seen to enhance the value of luxury products – but only when it doesn't compromise the quality.**

The influence of sustainability on the perception of luxury was perceived mostly positively, when thinking about luxury brands in general. All participants felt that sustainability increased the value and appeal of luxury products and made them feel even more luxurious. When asked whether sustainability could reduce the luxurious sense of luxury products and brands, all participants disagreed and instead emphasized the opposite. Moreover, all participants stressed out that sustainability should be an essential part of luxury. In addition to, sustainability and sustainable luxury was often connected to the idea of a “clear conscience”, the ability to enjoy luxury without guilt, making the product feel more valuable, enhancing the luxury experience. In the context of luxury jewelry, especially diamond jewelry, it was evident that participants felt a sense of shame wearing pieces made with mined diamonds, as there is now growing awareness of the ethical and environmental issues associated with them. The impact of guilt was also seen in the cases where luxury brands face reputational damage due unsustainable practices. A luxury product was not just something beautiful or high-quality, it also reflected the consumer's values and choices. It was clear that respondents didn't want to risk their own reputation by using products from unsustainable luxury brands.

*“It gives the feeling that I can use this without feeling bad, and that makes the product even more valuable in my eyes.” (Respondent 3)*

*“When the Balenciaga case happened, where they were caught of unsustainability, I quickly sold all the products I had from that brand. I would've been embarrassed to wear their logo after their reputation took such a hit.” (Respondent 7)*

*“It says something about me as a consumer, that I've chosen a product that combines my style and my values.” (Respondent 7)*

Sustainability was also perceived to increase or at least maintain the perceived quality of a luxury product. Many participants mentioned that hearing a product or brand is sus-

tainable makes them perceive it as higher in quality. Thereby, many associated sustainability with higher quality. Also, sustainability was seen as a potential differentiation, especially when many products are similar in design, quality, and price. However, several participants noted that this was true only when sustainability did not involve any compromises in quality or functionality. For example, some raised concerns about recycled or alternative materials not always meeting luxury expectations. An example that came up frequently was vegan leather. Several participants said that even if it's ethically better than real leather, they still associate it with lower quality, especially because it is plastic. Moreover, in the context of luxury jewelry, many noted that the word "recycled gold" doesn't sound particularly luxurious. However, participants also stated that the use of recycled gold in luxury products does not diminish the sense of luxury, because they know it is equal in quality to regular gold.

*"Recycled material might give the impression of being lower quality, even if it's not actually worse." (Respondent 10)*

*"Vegan leather is ethical in a way compared to real leather, but then again, it's not as high quality and not as durable." (Respondent 10)*

*"In my opinion, using recycled gold demands more from the sourcing process, which, for me, increases the sense of luxury." (Respondent 3)*

*"Maybe the word recycled doesn't sound very appealing, it's kind of an unattractive term, but gold is gold, so it doesn't affect the perception of quality." (Respondent 8)*

*"My first thought of recycled gold was that it might lower the quality a bit. But once you know that it doesn't, then it no longer has a negative impact on how you view the quality." (Respondent 2)*

*"It's also a fact that sometimes the most high-quality materials are not the most eco-friendly." (Respondent 9)*

In conclusion, sustainability can significantly enhance the perceived value of luxury, but only when it feels real and doesn't decrease quality. While consumers increasingly see sustainability as part of modern luxury, it must not compromise the essential characteristic of luxury: high-quality craftsmanship.

### 4.3 Theme 3: Sustainability in luxury consumption

#### 4.3.1 Category 1: The weight of sustainability in luxury purchases

**Key finding: Sustainability can positively influence luxury purchase decisions, but only when it's authentic.**

When discussing of luxury consumption in general, participants stated that sustainability can influence their decision to purchase luxury products, but only under certain conditions. It was not seen as the main reason to buy luxury, but as something that adds value and can influence the decision when other factors are similar. However, no one reported making purchases solely based on sustainability. Most participants viewed sustainability as a bonus that enhanced the emotional value of a purchase. It added a sense of satisfaction and reassurance, making the decision feel more thoughtful. All participants said that if two luxury products were equally appealing, they would choose the more sustainable one. This confirms that sustainability can function as a “decisive factor” but not as the main purchasing driver. Also, in the context of luxury jewelry and Karaat Jewelry, sustainability played a clear role in the decision to purchase from the brand, although it wasn't the most dominant factor.

*“If two products have the same design and quality, but one is more sustainable, I would definitely choose the sustainable one.” (Respondent 6)*

*“It's an important extra benefit, but not the only reason I would buy something.” (Respondent 8)*

*“Let's say it's not at the top of my list, but of course it matters, just not my number one thing.” (Respondent 5)*

*“I'm not that kind of sustainable consumer that it would be the only important factor driving my choices.” (Respondent 4)*

*“Of course, sustainability is a good thing, but it’s not my number one priority.” (Respondent 8)*

*“It does give me a better feeling when I know a product is made sustainably, it definitely has a positive impact on the decision.” (Respondent 5)*

At the same time, respondents stressed that this effect only holds when the sustainability claims are credible and clearly communicated. It was evident that authenticity and transparency were strongly important for participants. They wanted to know the origin of materials, the production processes involved, and what the brand’s values truly are. If this information was missing or unclear, participants became skeptical, highlighting that sustainability claims need to be clear and easy to verify. If the brand’s messaging felt inauthentic or forced, it could harm the brand reputation and decrease the interest of purchasing from the brand. While participants felt that sustainability should be integral part of luxury brands, they were also skeptical of the sustainability claims made by these brands. For example, in the context of luxury jewelry and Karaat Jewelry, participants highly valued transparency, such as sharing information of diamond origins and qualities. All participants indicated that this helped building trust and affected positively on purchase decisions.

*“If it feels like just a marketing trick and not authentic, it might actually work against the brand.” (Respondent 1)*

*“I’ve wondered if some brand is using sustainability to cover up other problems, I don’t trust those claims right away, they’ve become more like marketing.” (Respondent 10)*

*“Karaat’s transparency totally increased trust and influenced my decision to buy from there. I highly value that Karaat shares information about their diamonds, the quality of them, the origin, and how to compare them.” (Respondent 5)*

The role of sustainability in luxury consumption in general was especially clear in discussions about negative news or brand scandals. Learning about unethical practices could make participants hesitate to buy, or even cancel a purchase. Interestingly, participants were more critical of sustainability claims from newer or smaller luxury brands than from traditional market-leading luxury houses. With well-known traditional luxury brands,

there seemed to be more tolerance for sustainability shortcomings, possibly due to brand loyalty or their long-standing reputation. In contrast, newer modern luxury brands, like Karaat Jewelry, are expected to prove their values more clearly through concrete actions and transparent communication. This suggests that strong brand heritage and reputation as a traditional popular luxury brand can decrease the role of sustainability in purchase decisions.

*“If a brand gets caught doing something unethical, it affects my desire to buy from them, even if the product is nice.” (Respondent 8)*

*“If I know there are lots of other options and one brand turns out to be not so sustainable, I would definitely look elsewhere”. (Respondent 10)*

*“If there turn out to be an issue with working conditions or something, I’m like, okay, skip.” (Respondent 5)*

*“I would probably forgive a traditional luxury brand more easily, I think we expect more from newer brands in terms of sustainability.” (Respondent 8)*

*“Honestly, I think I would forgive a big, iconic brand faster, because with them I care about other factors more, with smaller brands, sustainability might be one of the main reasons I’d choose them.” (Respondent 9)*

*“From smaller brands, I expect more information, like, why should I choose them over the others?” (Respondent 5)*

The interviews also revealed an interesting finding regarding how much consumers actively seek information about luxury companies’ sustainability practices. Several participants admitted that they don’t usually do active research into brands’ sustainability practices before buying, even if they care about it. This highlights a gap between values and behavior: sustainability is important on a value level, but in practice, it is often not prioritized.

*“I usually don’t dig deeper, even though maybe I should.” (Respondent 5)*

*“I don’t really go looking for sustainability information myself, if the brand doesn’t actively promote it, I probably won’t check it before making a purchase decision.” (Respondent 10)*

*“No, I wouldn’t really start looking for information about sustainability, unless maybe I came across a completely new brand and wanted to know what it’s about. But if I just found, say, a bag I liked, I wouldn’t start Googling whether it’s sustainable or not at that point.” (Respondent 6)*

*“For example, I haven’t gone to Chanel’s website to see if they have a section about their sustainability principles, I haven’t even checked.” (Respondent 4)*

In conclusion, sustainability can influence the decision, but only if other key aspects, such as design, price, quality, and appeal of a brand, are already in place. In contrast, although sustainability is not the main factor driving purchase decisions in luxury sector, issues related to sustainability, such as scandals, can lead consumers to avoid certain luxury brands.

#### **4.3.2 Category 2: Key drivers of luxury consumption**

***Key finding: Design and aesthetics, high-quality craftsmanship, and price-quality ratio, outweigh sustainability - which remains a welcomed bonus.***

In the context of luxury consumption in general, sustainability wasn’t viewed as the primary driver to purchase luxury products. Although participants valued sustainability, it did not emerge as the most important factor when making a purchase decision. Instead, choices regarding luxury consumption were primarily guided by design, aesthetics, quality, durability, price-quality ratio, appeal of a brand, customer experience, and trust. These were described as essential requirements, while sustainability was considered as an added bonus that could strengthen the decision. The majority of respondents emphasized three key factors: design, quality, and price.

*“For me, aesthetics, quality, and price are the most important things, even though I do value sustainability.” (Respondent 9)*

*“I started thinking, is sustainability ever the only reason I’d skip a product or choose one over another? Probably not.” (Respondent 9)*

*“I’d say that design, quality, and price are on the same level of importance.” (Respondent 10)*

*“What matters most to me is the design, quality, brand, and price, but I think design is probably the biggest factor for me.” (Respondent 8)*

*“I’d say that for me, other things matter more: brand, design, aesthetics, quality.” (Respondent 5)*

In the case of Karaat Jewelry and the context of luxury jewelry, lab-grown diamonds emerged as the clearest sustainability-related factor that influenced participants’ decisions. Their ethical production and better price-quality ratio made them an appealing choice. If the level of sustainability had remained the same but the price-quality ratio had been worse, sustainability alone wouldn’t have been enough to justify the purchase. This shows that while sustainability is valued, the most important factors influencing the buying decision are the product’s design, quality, and price. This suggests that great price-quality ratio can strengthen the impact of sustainability, when combined with good design and aesthetics. Interestingly, other sustainability aspects mentioned in Karaat’s marketing, such as recycled gold or eco-friendly packaging, were not as influential in the actual purchase decision. All participants mentioned their interest specifically in lab-grown diamonds, and many didn’t even know that Karaat Jewelry uses recycled gold. However, Karaat’s transparency played a significant role in building trust and supporting the decision to buy. Many participants said that transparency and open communication gave them a sense of security and improved their impression of the brand.

*“The sustainability of the lab-grown diamond really mattered, I had a natural diamond before, and that made me feel kind of bad.” (Respondent 2)*

*“I definitely wanted a lab-grown diamond, because it’s more affordable and that way I’m not supporting natural diamond production.” (Respondent 10)*

*“It was really important to me that it was a lab-grown diamond.” (Respondent 8)*

*“To be honest, I don’t even remember noticing the recycled gold, I was more focused on the lab-grown diamond.” (Respondent 1)*

*“The recycled gold wasn’t really a decisive factor for me.” (Respondent 8)*

*"I honestly don't remember anything about the recycled gold, it clearly didn't have much weight." (Respondent 3)*

*"Transparency to me means knowing that it's good quality, that I can trust it, and that it's clearly explained where everything comes from, that really makes a positive difference." (Respondent 10)*

*"It was important that it was explained where the jewelry is made, that kind of transparency really mattered." (Respondent 4)*

In addition to Karaat's commitment to sustainability through lab-grown diamonds and transparency, participants' decision to purchase from Karaat was especially influenced by the brand's beautiful timeless designs, high quality, strong price-quality ratio, and the sense of trust. As mentioned earlier, the most important factors in luxury purchases for the respondents were design, quality, and price, and these needed to be aligned. This was also strongly reflected in the case of Karaat Jewelry.

*"For me, the most important thing was the design, the products are really beautiful, timeless, and classic. Quality also mattered a lot, I had a very strong impression of high quality." (Respondent 10)*

*"Modernity and those kinds of minimalist designs." (Respondent 7)*

*"Let's say it was 40% about great price-quality ratio, and 30% about sustainability." (Respondent 3)*

*"The brand image I had was that it was high quality. And the purchase experience, it was really good." (Respondent 2)*

*"Design, price, and maybe trust." (Respondent 9)*

*"Sustainability, being a Finnish brand, and products I personally like, delicate, beautiful jewelry with a good price-quality ratio." (Respondent 4)*

Many participants emphasized the importance of trust. This was particularly relevant in the context of luxury jewelry and Karaat, as buying diamonds often involves a higher level of uncertainty and insecurity. Understanding diamond quality and other technical aspects requires more expertise, which made transparency and trust even more critical in this context. What was particularly interesting was that trust towards Karaat stemmed

not only from transparency, but also from its Finnish origin. All participants felt that being Finnish brand was strongly associated with trust. This was reflected, for example, in the sense of security they felt knowing they could visit a showroom in Finland and deal with Finnish staff in case of any issues. The interviews clearly revealed that purchasing luxury diamond jewelry often involves a lack of confidence and perceived risk. In this context, Karaat stood out positively, having successfully established itself as a trustworthy diamond jewelry brand.

*“The fact that it’s a Finnish brand gave me a certain sense of trust, especially since it’s related to jewelry.” (Respondent 8)*

*“The fact that it’s a Finnish and trustworthy brand also played a role. It feels like if there were ever a problem, it would be easier to deal with. So overall, it gave me a sense of security.” (Respondent 10)*

*“I do like that it’s a Finnish brand. I think that’s where the sense of trust comes in, if something were to go wrong with the product I bought, I have strong confidence that a Finnish brand would handle it well.” (Respondent 1)*

*“And then the Finnish origin, that definitely added a sense of trust for me. I think being a Finnish brand brings a certain level of reliability.” (Respondent 7)*

In conclusion, while sustainability is a meaningful factor in luxury purchasing in this context, other factors, such as product design, high quality, brand, and great price-quality ratio, are more important. Sustainability acts more as a supporting decisive element, it adds emotional comfort and helps the decision feel better and more responsible, but rarely drives the purchase on its own.

## 5 Discussion

### 5.1 Theoretical implications

This chapter compares and interprets the findings of this study in relation to the theoretical framework, answering to the research questions. The aim is to reflect the findings of this study and to evaluate whether they align with existing academic literature.

***What are the key motivations driving luxury consumption and what does luxury mean to luxury consumers?***

Interview participants described luxury primarily through high-quality craftsmanship, durability, aesthetics, and emotional value, indicating that luxury is not solely defined by high price or exclusivity. This supports the theoretical understanding that luxury is a multifaceted concept combining tangible and intangible associations (Keller, 2013, p. 31; Ghodeswar, 2008, p. 5). Consistent with Chevalier and Mazzalovo (2021, p. 8), the interviews reflected both productive and perceptual definitions of luxury. The interviews supported theoretical understanding of luxury as a layered concept. Participants described luxury not just as an object, but as something emotionally meaningful, carefully chosen, and deeply connected to personal identity and values, reflecting Cuomo et al. (2019, pp. 1–2) and Aggarwal's (2024, p. 182) view that luxury extends beyond utility and is valued for its uniqueness, craftsmanship, and meaningfulness, and also as being a tool to showcase identity and values.

The contrast between traditional and modern luxury was clearly evident. While traditional luxury was still acknowledged as being tied to status, prestige, and brand heritage, modern luxury was perceived as more personal, subtle, and meaningful. This shift aligns with Aggarwal's (2024, p. 181) view that today's consumers increasingly associate luxury with self-fulfillment, lifestyle alignment, and quiet aesthetics. Participants emphasized values such as emotional connection, long-term use, and identity reflection, demon-

strating the shift noted by Chevalier and Mazzalovo (2021, pp. 33–34) from luxury as status to luxury as experience.

The findings of the study show that functional and experiential motivations dominate luxury consumption in the studied case. Participants emphasized product quality, longevity, and the emotional satisfaction. These results align with Ghodeswar's (2008, p. 5) model of consumer needs, functional, experiential, and symbolic, while showing a shift in emphasis toward the first two. Consumers in this study made purchase decisions based on rational evaluation of quality and emotional reward rather than symbolic status signaling. This is different from traditional ideas of luxury consumption that focus heavily on status and social approval (Kapferer & Bastien, 2009, p. 314; Lim et al., 2012, p. 212). While expression of self and identity remained relevant, status motivation was largely rejected. This supports the evolving view of luxury as more focused on personal meaning than showing status (Chevalier & Mazzalovo, 2021, pp. 33-34; Di Leo et al., 2023, pp. 1274-1275; Nwankwo et al., 2014, p. 736). Also, insights of the interviews are in line with past research showing that modern luxury buyers look for products that reflect who they are and what they value (Chevalier & Mazzalovo, 2021, p. 34; Cuomo et al., 2019, p. 2).

### ***How does sustainability influence consumer perceptions of luxury brands and products?***

All participants viewed luxury and sustainability as compatible, though not automatically connected. This view aligns with literature that sees sustainable luxury as a growing market trend (Chang et al., 2022, p. 3; Di Leo et al., 2023, p. 1275). While many frameworks characterized sustainability and luxury as conflicting due to opposing values (Di Leo et al., 2023, p. 1277; Kapferer et al., 2014, p. 1; Beckham & Voyer, 2014, p. 245; Cervellon & Shammass, 2013, p. 91; Kunz et al., 2020, p. 560; Rolling and Sadachar, 2018, p. 805; Kapferer & Michaut-Denizeau, 2020, p. 44), this study supports newer perspectives positioning them as potentially complementary (Rolling & Sadachar, 2018, p. 810; Cervellon & Shammass, 2013, p. 91; Di Leo et al., 2023, p. 1274). However, the findings also reflect

that this compatibility depends on the authenticity and transparency of the brand. While the concept is accepted in theory, trust in its execution remains fragile. This reflects the point made by Di Leo et al. (2023, p. 1278), who noted that sustainable luxury must genuinely combine ethics and exclusivity to gain acceptance.

Participants felt that sustainability impacted on the luxurious feeling of luxury products positively, as long as it was done in a genuine way and without compromising quality. This finding contrasts with Beckham and Voyer (2014, p. 247), who reported that consumers often perceive sustainable luxury products as less luxurious than traditional ones. On the other hand, the findings of the study align with Chang et al. (2022, p. 4), who found that sustainability can increase the perceived value of luxury. The idea of a “clear conscience” as part of the luxury experience was highlighted: being able to enjoy beauty and quality without guilt was seen as adding to the luxury, not taking away from it. However, this enhancement was conditional. Participants noted that sustainability must not reduce the product’s beauty or quality. These concerns are also reflected in previous studies showing that eco-friendly features can sometimes be perceived as lower quality or less desirable (Achabou & Dekhili, 2013, p. 1899; Chang et al., 2022, p. 3).

While sustainability was largely seen to support quality perception, doubts remained regarding certain materials, particularly vegan leather, or recycled alternatives. These findings reflect consumer expectations identified by Chang et al. (2022, p. 3) and Beckham & Voyer (2014, p. 247), where consumers expect sustainable products to still look and feel high-quality. Participants clearly valued sustainability as long as it did not diminish product performance, quality, or craftsmanship. This supports the view that sustainable luxury must maintain traditional luxury attributes such as excellence, elegance, and attention to detail (Di Leo et al., 2023, p. 1289). However, findings of the study contrasts with earlier research suggesting that sustainability-related attributes reduce the perceived quality or desirability of luxury products (Chang et al., 2022, pp. 2–3; Deklihi et al., 2019, pp. 490–491; Beckham & Voyer, 2014, p. 249). In this study’s context, participants

did not see sustainability as lowering the quality of luxury items, instead, they viewed it as adding value, when implemented authentically and without compromising luxury standards.

Participants perceived clear differences between traditional luxury houses and newer, smaller luxury brands. While traditional brands benefited from brand heritage and trust, they were also seen as slower and more superficial in integrating sustainability, raising concerns about greenwashing. This finding complements the view that legacy brands face more skepticism when making sustainability claims (Davies et al., 2012, p. 44). On the other hand, participants found the sustainability claims of smaller or newer luxury brands as more credible, aligning with theoretical findings of Di Leo et al. (2023, p. 1275). However, these brands also had to work harder to earn consumer trust, especially because they didn't have the established reputation of traditional players.

#### ***What role does sustainability play in luxury consumption among other factors?***

Sustainability influenced purchase decisions as a secondary factor, indicating it was not a primary reason to buy. This aligns with previous research, which suggests that while consumers may value sustainability in principle, it is rarely the primary driver in luxury purchasing decisions (Chang et al., 2022, p. 13; Davies et al., 2012, p. 44; Deklihi et al., 2019, pp. 490-491; Achabou and Dekhili, 2013, p. 1896; Beckham and Voyer, 2014, p. 248). The findings of the study showcase that when two products were otherwise identical, sustainability could influence the final decision. This finding reflects the idea of sustainability as a "decisive factor" but not a "driving factor" (Davies et al., 2012, pp. 43-44; Chang et al., 2022, p. 4). Participants emphasized that sustainability only impacted decisions when other key factors, such as design, quality, and price also met their expectations. Thus, while sustainability holds potential as being a differentiator between options, its influence depends on how credible and consistent the brand's efforts are.

Ultimately, the key drivers of luxury consumption were design and aesthetics, quality, price-quality ratio, brand image, and emotional experience. These findings align with existing literature that positions these factors as central to luxury branding (Kotler, 2020, p. 310; Gummerus et al., 2024, p. 185). However, the findings of this study support previous research suggesting that modern consumers increasingly expect ethical standards and transparency from luxury brands (Kapferer et al., 2014, p. 6; Carcano, 2013, p. 40; Jain, 2019, p. 132). Participants clearly expressed that they value sustainability and do not want to support brands involved in unethical or environmentally harmful practices. Several interviewees stated that if negative information about a luxury brand emerged, such as unethical working conditions, it could significantly impact their willingness to purchase from that brand. Consumers didn't want to be associated with brands known for questionable practices and this extended to how they saw themselves as responsible consumers. These findings suggest that ethical considerations, while not always proactively researched, can play a decisive role when they are revealed, potentially leading to avoidance or rejection of certain brands.

Previous research highlights that luxury consumption is strongly influenced by aesthetics and sensory pleasure (Chevalier & Mazzalovo, 2021, p. 168; Jain, 2019, p. 132), the emotional satisfaction and hedonism associated with the products (Di Leo et al., 2023, p. 1278; Lim et al., 2012), the high quality and craftsmanship expected from luxury goods (Aggarwal, 2024, p. 182; Gummerus et al., 2024, p. 185), and the brand image, which has an important role in consumer decision-making (Ghodeswar, 2008, p. 5; Keller, 2013, pp. 73–76). The findings of this research align with these views, as participants consistently emphasized quality, aesthetics, emotional connection, and trusted brand image as the key reasons behind their luxury purchases. Sustainability, while meaningful, was rarely the primary motivator. Products were evaluated for their long-term value, beauty, and how well they reflected personal style and identity. The emphasis on longevity and meaningful consumption supports the evolving idea of luxury as aligned with conscious consuming (Jain, 2019, p. 132; Aggarwal, 2024, p. 181).

## 5.2 Managerial implications

This study contributes to the existing literature on luxury consumption and sustainable luxury by offering insights into how sustainability shapes the perception of luxury brands and products, and how it influences purchase decisions, particularly in the context of luxury jewelry customers at Karaat Jewelry. The findings of this study offer several actionable insights for luxury marketing managers, especially those seeking to integrate sustainability into their branding strategy without weakening the perception of luxury.

### ***1. Use sustainability as a differentiator - when other features are equal***

Participants repeatedly emphasized high-quality craftsmanship, design, price-quality ratio, and emotional value as the most important luxury purchase drivers. Therefore, marketing strategies, such as marketing communication, should focus on these attributes and present sustainability as a complementary benefit rather than the main selling point. The study showed that sustainability can function as a decisive factor when products are otherwise similar in design, quality, and price.

### ***2. Present sustainability as a value-enhancer, not a compromise***

Participants viewed sustainability positively, but only when it did not compromise the sense of luxury and the quality of the product. Marketing should avoid messages that suggest consumers must compromise on beauty or quality for sustainability. Instead, brands can present sustainability as a factor that adds emotional value and makes the product feel even more luxurious, allowing for a “guilt-free” experience.

### ***3. Avoid greenwashing - build trust through transparency***

One of the strongest findings was that participants are skeptical of sustainability claims unless they are clearly supported by transparent, trustworthy information. To build trust, brands should prioritize open communication about production processes, materials, and ethical practices. For example, sharing content about how a product is made or where materials are sourced can increase credibility and trust.

#### **4. Focus on personal meaning and expressing identity, not barely just status**

While status signaling is still associated to luxury consumption, the study found that consumers are increasingly motivated by personal relevance and expression of self and identity rather than barely showing social status. Marketing messages should shift from showing only status symbols to highlighting individuality and emotional connection. Storytelling that helps consumers see how a product fits into their lifestyle, values, and personal story could be effective, especially among newer modern luxury brands.

#### **5. Understand the difference between traditional and modern luxury**

Findings showed that participants were more critical of smaller newer luxury brands in terms of sustainability expectations, while traditional luxury brands were sometimes “forgiven” due to their strong brand heritage. Marketing managers in newer luxury companies must therefore be especially clear and consistent in their sustainability messaging. On the other hand, managers in heritage brands can use their legacy as an advantage but they should still be careful not to depend only on their reputation, in order to maintain market relevance.

#### **6. Strengthen the role of emotional experience in marketing**

Participants described luxury consumption as an emotionally meaningful experience, often tied to self-appreciation or special moments. Marketing efforts that evoke emotional responses, such as campaigns centered on celebrating personal achievements or milestones, could be an effective marketing approach.

### **5.3 Limitations of the study and future research suggestions**

While this study provides valuable insights into the perceptions and motivations of luxury consumers in the context of sustainable luxury, it is important to recognize its limitations. Understanding these limitations also creates opportunities for future research to explore and deepen understanding in this evolving area.

One of the key limitations of this research is the small sample size. The study was based on ten in-depth interviews, which provide valuable insights but limit how much the results can be applied to a larger scale. The results offer meaningful findings, but larger-scale studies are needed to validate these themes across broader consumer groups. Future research could involve a larger sample size, such as interviewing hundreds of consumers, to make the findings more widely applicable.

Secondly, the research was conducted in the context of a single luxury brand, Karaat Jewelry, in a context of luxury jewelry. However, the interviews also included broader discussions on luxury consumption, particularly in the areas of luxury fashion and accessories. While interviews provided a focused lens for a deeper understanding within these luxury sectors, it also means that the findings are specific to one company and only these product categories, especially focusing on the luxury jewelry. As luxury consumption varies across product categories, findings from this context may not fully apply to other sectors where consumer expectations, product lifecycles, and symbolic meanings can differ significantly. Research could expand beyond into other luxury sectors such as cosmetics or hospitality, where consumer motivations and sustainability expectations may differ. Moreover, including multiple luxury brands in different sectors would allow for comparisons across industries.

Another limitation concerns the demographic profile of the participants. All interviewees were Finnish women aged 25–35, which means the study does not reflect the views of older or younger consumers, male consumers, or those from different cultural or national backgrounds. Comparing different age groups or generations could uncover the differences for example between Gen Z, Millennials, and Gen X. Studying consumers from different cultural and geographical backgrounds would provide insight into how cultural values influence perceptions of luxury and sustainability. This is especially important because of the global nature of the luxury market. Future studies should also explore how

men perceive sustainable luxury, as gender may play a role in how luxury and ethics are prioritized.

Moreover, while participants had disposable income and consumed luxury occasionally, they were not part of the ultra-wealthy elite or high net-worth individuals who spend large sums on luxury goods. As a result, the study reflects the values and choices of affluent, but not extremely wealthy, consumers. Research focusing on the ultra-wealthy, such as individuals who spend hundreds of thousands of euros on luxury annually, could provide valuable insights into how consumption behavior and sustainability concerns differ among the wealthiest consumers.

## References

- Aggarwal, E., Singh, A. B., & Misra, R. (2024). Does consumption values and ascribed responsibility predict attitudes towards sustainable luxury brands. *Journal of Consumer Marketing*, 41(2), 180–195.
- Aspers, P., & Corte, U. (2019). What is qualitative in qualitative research? *Qualitative Sociology*.
- Baker, A. (2023). Blood Diamonds. *Time*. Retrieved 13-10-24 from <https://time.com/blood-diamonds/>
- Beckham, D., & Voyer, B. G. (2014). Can sustainability be luxurious? A mixed-method investigation of implicit and explicit attitudes towards sustainable luxury consumption. *Advances in Consumer Research*, 42, 245–250.
- Braun, V. and Clarke, V. (2022). *Thematic analysis: a practical guide*. SAGE Publications Ltd.
- Boddy, C. R. (2016). Sample size for qualitative research. *Qualitative Market Research: An International Journal*, 19(4), 426–432.
- Chali, M. T., Eshete, S. K., & Debela, K. L. (2022). Learning how research design methods work: A review of Creswell's Research Design: Qualitative, Quantitative and Mixed Methods Approaches. *The Qualitative Report*, 27(12), 2956–2960.
- Chang, W.-Y., Taecharungroj, V., & Kapsuwan, S. (2022). Sustainable luxury consumers' preferences and segments: Conjoint and cluster analyses. *Sustainability*, 14(15), 9551.

- Chandon, J.-L., Laurent, G., & Valette-Florence, P. (2016). Pursuing the concept of luxury: Introduction to the JBR special issue on "Luxury marketing from tradition to innovation." *Journal of Business Research*, 69(1), 299–303.
- Chevalier, M. & Mazzalovo, G. (2021). *Luxury brand management. In digital and sustainable times. Fourth Edition.*
- Carcano, L. (2013). Strategic management and sustainability in luxury companies: The IWC case. *Journal of Corporate Citizenship*, 2013(52), 36–54.
- Cervellon, M.-C., & Shammass, L. (2013). The value of sustainable luxury in mature markets: A customer-based approach. *Journal of Corporate Citizenship*, 2013(52), 90–101.
- Conti, S. (2023, March 28). Vrai wants clients to customize every detail of their lab-grown diamond. *WWD: Women's Wear Daily*.
- Cuomo, M. T., Foroudi, P., Tortora, D., Hussain, S., & Melewar, T. C. (2019). Celebrity endorsement and the attitude towards luxury brands for sustainable consumption. *Sustainability*, 11(23), 6791.
- Davies, I. A., Lee, Z., & Ahonkhai, I. (2012). Do consumers care about ethical-luxury? *Journal of Business Ethics*, 106(1), 37–51.
- Dekhili, S., Achabou, M. A., & Alharbi, F. (2019). Could sustainability improve the promotion of luxury products? *European Business Review*, 31(4), 488–511.
- Di Leo, A., Sfodera, F., Cucari, N., Mattia, G., & Dezi, L. (2023). Sustainability reporting practices: An explorative analysis of luxury fashion brands. *Management Decision*, 61(5), 1274–1297.

- Dowling, R., Lloyd, K., & Suchet-Pearson, S. (2016). Qualitative methods 1: Enriching the interview. *Progress in Human Geography*, 40(5), 679–686.
- Flick, U. (2018) 'What is qualitative research?', in *Designing Qualitative Research*. Sage Publications.
- Gummerus et al., (2024) Who creates luxury? Unveiling the essence of luxury creation through three perspectives: A scoping review.
- Gummerus, J., von Koskull, C., Kauppinen-Räsänen, H., Medberg, G. (2023). Who creates luxury? Unveiling the essence of luxury creation through three perspectives: A scoping review. *Qualitative Market Research: An International Journal*, 27(2), 182–211.
- Henderson, T. A., & Mihas, E. A. (2000). Building retail brands. *The McKinsey Quarterly*, 2000(3), 110–117.
- Husain, R., Samad, T. A., & Qamar, Y. (2022). Past, present and future of luxury brands: A review and bibliometric analysis. *Journal of Fashion Marketing and Management: An International Journal*, 26(4), 582–602.
- Jain, S. (2019). Factors affecting sustainable luxury purchase behavior: A conceptual framework. *Journal of International Consumer Marketing*, 31(2), 130–146.
- Kapferer, J.-N. (2015). The future of luxury: Challenges and opportunities. *Journal of Brand Management*, 21(9), 716–726.
- Kapferer, J.-N., & Bastien, V. (2009). The specificity of luxury management: Turning marketing upside down. *Journal of Brand Management*, 16(5–6), 311–322.

- Kapferer, J.-N., & Michaut-Denizeau, A. (2014). Is luxury compatible with sustainability? Luxury consumers' viewpoint. *Journal of Brand Management*, 21(1), 1–22.
- Kapferer, J.-N., & Michaut-Denizeau, A. (2020). Are millennials really more sensitive to sustainable luxury? A cross-generational international comparison of sustainability consciousness when buying luxury. *Journal of Brand Management*, 27(1), 35–47.
- Keech, J., Morrin, M., & Podoshen, J. S. (2020). The effects of materialism on consumer evaluation of sustainable synthetic (lab-grown) products. *Journal of Consumer Marketing*, 37(5), 579–590.
- Keller, K. (2013). *Strategic brand management. Building, measuring, and managing brand equity*. Pearson global edition.
- Kotler, P., Armstrong, G., Parment, A., (2020). *Principles of marketing*. Pearson Education Limited 2020. Scandinavian edition. Third edition.
- Kunz, J., May, S., & Schmidt, H. J. (2020). Sustainable luxury: Current status and perspectives for future research. *Business Research*, 13(2), 541–601.
- Lim, W. M. (2024). What is qualitative research? An overview and guidelines. *Journal of Business Research*, 170, 114271.
- Lim, W. M., Ting, D. H., Khoo, P. T., & Wong, W. Y. (2012). Understanding consumer values and socialization – A case of luxury products. *Management & Marketing: Challenges for the Knowledge Society*, 7(2), 209–220.
- Lincoln, T. (2021). *Qualitative research. A field manual for ministry students*.

Nwankwo, S., Hamelin, N., & Khaled, M. (2014). Consumer values, motivation and purchase intention for luxury goods. *Journal of Retailing and Consumer Services*, 21(5), 735–744.

Rolling, V., & Sadachar, A. (2018). Are sustainable luxury goods a paradox for millennials? *Social Responsibility Journal*, 14(4), 802–815.

Roux, E., Tafani, E., & Vigneron, F. (2017). Values associated with luxury brand consumption and the role of gender. *Journal of Business Research*, 71, 102–113.

## Appendices

### Appendix 1. The interview questions for customers

#### Theme 1: Luxury consumption

1. Do you see yourself as a frequent or occasional luxury consumer?

Assisting questions: How many times per year do you purchase luxury items?

2. How do you define luxury?

Assisting questions: What characteristics do you associate with luxury? What does luxury mean to you?

3. Can you describe what motivates you to purchase luxury products?

Assisting questions: When deciding to purchase luxury, which need: functional, symbolic, or experiential, has the most influence on your decision? Functional needs refer to practical qualities like durability, quality, or effectiveness. Symbolic needs are tied to self-expression, social status, or how the product reflects your personal style or identity. Experiential needs focus on the sensory enjoyment, emotional satisfaction, or unique experiences that the product provides, meaning how using the product make you feel.

#### Theme 2: Perceptions of sustainable luxury

1. Do you think sustainability and luxury are compatible, or do you see them as conflicting? Why?

Assisting questions: When you think of luxury, do you naturally associate it with sustainability? When buying luxury products, do you expect sustainability to be part of the brand's identity? Why or why not? What is sustainable luxury to you?

2. Does sustainability make a luxury brand feel more or less luxurious in your opinion? Why or why not?

Assisting questions: Do you think a sustainable luxury product can still have prestige and exclusivity? If a luxury brand you know started using more sustainable materials, improving working conditions to be more ethical, or enhancing the sustainability of its products in any other way, how would it impact your perception of the brand's luxury image?

3. When a luxury brand adopts sustainability, how does it affect your perception of the brand's quality?

Assisting questions: Do you link sustainable luxury to higher or lower craftsmanship? Why?

### Theme 3: Sustainability in luxury consumption

1. Do you think sustainable practices increase the appeal of luxury products? Or decrease?

Assisting questions: Have you ever changed your mind about a luxury brand after learning about their sustainability (or lack of it)? If two luxury brands were identical in every way except sustainability, which would you choose and why?

2. When you think about purchasing a luxury product, how much weight do you give to a brand's sustainability efforts compared to other factors?

Assisting questions: How do you balance designs, brand heritage, price, quality, sustainability, and exclusivity when making a decision? If a luxury product was not sustainable but had exceptional craftsmanship and brand heritage, would you still buy it? Why?

3. Did Karaat Jewelry's sustainability efforts influence your purchase? If so, how?

Assisting questions: If Karaat didn't promote sustainability, would you have still chosen them? What aspects influenced your decision to choose Karaat over others?

## **Appendix 2. The usage of AI**

In this thesis, AI-based tool (ChatGPT 3.5) was utilized to support language editing and improve academic writing. The AI helped identify and correct grammatical errors as well as enhance sentence structure, which improved the clarity and readability of the text. While AI provided valuable assistance in these tasks, the author will remain fully responsible for the content and quality of the final text.