

COLUMNS

## Sustainability key in transition from conspicuous to considered consumption

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The word "sustainability" is permeating every industry in the world. Rising concerns about environmental degradation and climate change has forced individuals as well as corporations to embed sustainability as an integral element in their day-to-day lives.

In the context of luxury, sustainability is all about conserving the art, culture, traditions and savoir-faire, as well as taking care of people and planet. That said, luxury and sustainability have been long considered as antithetical to each other.

Buying it?

The unique characteristics of luxury such as rarity, timelessness, heritage, restricted supply, handcrafted, superior quality, localized production and high prices link it closely to sustainability.

Lately, there has been increased pressure on luxury companies to adhere to sustainability not only from government, media and non-governmental organizations, but also from the growing number of ethical luxury buyers.

Currently, global luxury consumers, especially millennials, expect companies to act responsibly.

As per a 2010 Havas Media sustainable consumption research study conducted with 20,000 consumers in 10 countries, 86 percent of buyers examined sustainability aspects while making purchase decisions.

It was also found that 80 percent of consumers under the age of 35 wanted to go for a sustainable option.

In the past few years, sustainability value has derived importance in buyers' purchase decision.

Luxury buyers want the brands they use to reflect their concerns and aspirations for a better world.

There has been a transformation from conspicuous to considered consumption, from what you wear to who you are, within conscious luxury consumers, leading to rising consumer demands for product traceability, supply chain standards, product authenticity and quality.

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Shoppers want luxury brands to focus on moral issues related to luxury products and have convincing answers to questions of environmental and social responsibility.

Sustainable consumption acts as stimuli among luxury buyers who want to feel good and not guilty when they are purchasing a certain luxury brand.

Luxury warrants a psychological cost categorized as "guilty pleasures," which might lead to negative emotions after the purchase.

Therefore, a growing number of consumers are buying sustainable luxury products to experience guilt-free enjoyment.

Millennials aspire to rationalize their luxury buying by contributing to social wellbeing.

Taking the LEED

Luxury, for decades, has been used to depict social-self.

Traditionally, the desire of buying to impress others was considered as the key motivation behind the purchase of luxury brands.

Now, sustainable consumption has evolved as a new form of conspicuous consumption.

Consumers are now spending money on "green to be seen." Their lifestyle and purchases include everything from organic food to bio-dynamic wine to eco-friendly apparel and zero-emission electric vehicles. They are willing to pay a premium for sustainable luxury products to display their success and economic accomplishment to the society.

With sustainability becoming a new norm, "social" individuals feel secure while buying luxury products labeled as "organic," "sustainable" and "ethical."

It is a known fact that the luxury business is lagging behind other industries in creating and fostering sustainability.

However, a few luxury brands such as Tiffany, Gucci and Stella McCartney have set examples for others.

Tiffany is among the first few brands to restrict the use of coral in jewelry.

From sourcing to production, Tiffany makes sincere efforts to act responsibly. It has created fair wage practices for workers and has a custom-built, LEED-certified factory. It has also set its target to reduce greenhouse gas emissions to net-zero by 2050.

Similarly, Gucci, in its effort towards sustainable development, has recently launched Gucci Equilibrium, an online platform designed to connect people, planet and purpose.

In October 2017, it made announcement that no fur will be used in any of its collections. It is also working towards creation of new natural materials.

Another example is Stella McCartney, which is known for eschewing leather, fur and feathers in its collections. The brand has created an alternative to leather made from mycelium the root structure of mushroom. Most of Stella McCartney's collections are made up of sustainable materials.

AS WE LOOK forward, it is evident that there is a considerable risk to luxury brands that are resistant to investing in people and planet.

Therefore, luxury companies should work on redefining their business models to make it more ethical.

Embracing sustainability will provide them with an opportunity to enhance their brand image and reputation, and possibly create additional value and gain competitive advantage over the other brands.

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