

This Work Project is presented as part of the requirements for the Nova School
of Business and Economics Master's degree in: Management

SHAPING THE FUTURE OF LUXURY:

Sustainability, masstige and digital transformation
as influencing trends in Gen Z consumer behavior

DANA BAUMANN (58328)

Work project carried out under the supervision of:

Professor João Castro

17/12/2024

Abstract

Sustainability, masstige and digital transformation are current trends, reshaping the luxury market, especially for Gen Z. This work project combines literature review and survey data to explore how these trends affect the consumer behavior, more specifically the purchasing decisions and potential shift in loyalty of Gen Z toward luxury brands. The research highlights Gen Z's demand for sustainable practices, preference for accessible luxury, and openness to digital tools like VR. Using a modified purchase model, the findings reveal that Gen Z expects brands to align with their values while maintaining authenticity and quality. The study provides actionable recommendations for luxury brands to integrate these preferences and adapt to a quickly evolving market.

Keywords: luxury, luxury trends, sustainability, masstige, digital transformation, Gen Z, consumer behavior, purchasing decisions, future trends

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

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List of Abbreviations

AI	Artificial intelligence
AR	Augmented reality
Gen Z	Generation Z
H	Hypothesis
NFT	Non-fungible Token
RQ	Research question
VR	Virtual reality

1. Introduction

1.1. Relevance of the topic and problem statement

The luxury industry, long synonymous with only exclusivity and prestige, now faces a period of profound transformation driven by shifts in consumer values and technological advancement. Today's younger generations, especially Generation Z (Gen Z), are reshaping luxury expectations with demands for sustainability, inclusivity, and digital interaction. While these demands present growth opportunities, they also challenge the traditional luxury model, requiring brands to innovate without compromising their exclusivity. The global market for personal luxury goods has grown rapidly over the past three decades. According to Bain & Company, it is projected to reach EUR 540 to 560 billion by 2030, assuming an annual growth rate of five to seven percent (D'Arpizio et al., 2024). This highlights the necessity for the industry to adapt to evolving consumer demands to maintain its success.

Sustainability, masstige, and digital transformation have emerged as critical areas where luxury brands must evolve to meet modern consumer needs. These trends reflect a deeper societal shift towards conscious and affordable consumption, and digital-first experiences. However, many brands remain cautious, fearing that broader accessibility, digital interaction and the integration of sustainable practices could dilute their exclusivity and luxury appeal.

Gen Z, with its growing purchasing power and social influence, is expected to fundamentally change the definition of luxury by 2030 (D'Arpizio et al., 2024). While sustainability, masstige, and digital transformation are widely discussed in literature, the specific relationship between these trends within the luxury sector remains underexplored. This gap underscores the need to better understand how these factors influence luxury consumption among Gen Z.

This thesis explores how luxury brands can align with the evolving values of a diverse consumer base, particularly Gen Z, to secure their position for the future, attract the consumers of

tomorrow, and build lasting loyalty with Gen Z today. By analyzing current trends and consumer behavior, the study aims to provide actionable insights on how sustainability, masstige and digital transformation shape luxury consumption and how brands can strategically leverage these trends to effectively engage Gen Z while maintaining their brand identity.

1.2. Objective of the work and outline

The objective of this Master's thesis is to comprehensively examine the evolving luxury industry, focusing on three transformative trends that are reshaping consumer behavior and brand strategies: sustainability, masstige, and digital transformation. As younger generations, particularly Gen Z, enter the luxury market, brands face mounting pressure to align their practices with the values and preferences of a more conscientious and trend-sensitive audience.

This study aims to investigate how these trends influence Gen Z consumer expectations and the strategic responses of luxury brands to stay relevant in a competitive market. Through a combination of literature review and survey data, this thesis seeks to answer the following central research question:

RQ: How do the trends of sustainability, masstige, and digital transformation affect the consumer behavior, more specifically the purchasing decisions and potential shift in loyalty of Gen Z toward luxury brands?

To address this research question, the core of this study is structured into three distinct chapters, each dedicated to exploring a different trend of luxury.

*RQa: How and which aspects of **sustainability** affect the consumer behavior, more specifically the purchasing decisions and potential shift in loyalty of Gen Z toward luxury brands?*

*RQb: How and which aspects of **masstige** affect the consumer behavior, more specifically the purchasing decisions and potential shift in loyalty of Gen Z toward luxury brands?*

*RQc: How and which aspects of **digital transformation** affect the consumer behavior, more specifically the purchasing decisions and potential shift in loyalty of Gen Z toward luxury brands?*

The findings will aim to offer a nuanced understanding of these trends' impact on consumer behavior, providing luxury brands with actionable insights for strategic positioning and customer engagement. The research is guided by the belief that these insights can aid luxury brands in navigating the evolving expectations of Gen Z and other key demographics, ensuring both relevance and resilience in a rapidly transforming market landscape.

2. Literature Review

2.1. Luxury definition

The word 'luxury' originates from the Latin 'luxus', meaning an excess or display of wealth beyond essential needs. Stehr et al. (1968) also argues, luxury involves any expenditure beyond necessity. The concept of luxury is therefore fluid, shaped by time and societal context. Without a single, fixed definition, luxury is a multifaceted concept that adapts to different interpretations in different cultures and eras, making it difficult to define universally (Cabigiosu 2020). Therefore, the question 'What is luxury?' cannot be answered unequivocally, as luxury is an ever-evolving concept without a standardized definition. Nevertheless, the concept of luxury is deeply rooted in ideals of exclusivity, rarity, high quality, and premium pricing typically associated with items or experiences that signal wealth and prestige (Christodoulides et al. 2021). Luxury goods should evoke a sense of exclusivity in the buyer, carrying a high emotional value that enhances the consumer's sense of being special (Statista 2024). This Master's thesis is based on Bain's luxury classification because it can be applied to goods and services, takes into account current data and is generally applicable. This categorization consists of a total of nine categories: Personal luxury goods, luxury cars, luxury hospitality, fine wines and spirits,

gourmet food and fine dining, high-end furniture and homeware, art, private jets and yachts, and luxury cruises (D'Arpizio et al. 2024).

Overall, the luxury market is highly resilient. By the end of 2023, the global luxury market after this classification broke the 1.5 trillion-euro mark and is growing steadily despite challenging macroeconomics (D'Arpizio et al. 2024).

2.2. The changing concept of luxury

The concept of luxury is shifting, expanding beyond traditional attributes like exclusivity and wealth to encompass a broader consumer base, particularly the middle class. Rising income levels, the increasing number of global millionaires, the significant resurgence of the Asia luxury market and rapidly evolving consumer preferences are all reshaping this landscape. Luxury is no longer just a privilege of a few but a sought-after experience across different socioeconomic groups (Arthur D. Little 2024). Historically, luxury has been deeply embedded in human societies, evolving alongside cultural values and social structures. Cristini et al. (2022) describe a progression from 'having-to-being' and 'owning-to-experiencing'. Consumers now prioritize meaningful experiences over mere ownership. Younger consumers, known as 'digital natives', see luxury as an extension of their self-expression rather than simply purchasing high-priced items. This influence is leading to a shift in the luxury offering towards a balance between exclusivity and affordability (Alexandrova 2024). Gen Z appears to prefer personalization and experiential value over the purely functional aspects of ownership (Alruthaya et al. 2021). Digital engagement through virtual experiences, interactive online shopping and social media interactions are becoming increasingly important to the way this generation perceives and consumes luxury (Wong and Park 2022). In contrast to previous generations, Gen Z has a more nuanced understanding of luxury, encompassing not only material aspects but also cultural and ethical dimensions. They place a higher value on

sustainability and authenticity and seek out brands that are transparent about their environmental practices (Chang et al. 2022).

2.3. Challenges

As the global market dynamics shift, luxury brands face new challenges that require them to adapt their long-standing business models to meet the demands of a more conscious and diverse consumer base. Geopolitical tensions, such as trade wars and sanctions, disrupt supply chains and access to global markets raise the need for strategic risk management as brands expand worldwide (Seo & Buchanan-Oliver 2015). Alongside these external pressures, economic uncertainties including inflation and potential recessions add complexity, forcing luxury brands to balance exclusivity with accessibility as material and production costs rise (McKinsey & Company 2023). The COVID-19 pandemic has acted as a catalyst for change in the luxury industry. As highlighted by Grigorescu and Ion (2021), consumer psychology has changed and traditional buying behavior is giving way to a demand for brands that adopt innovative and sustainable practices. The increased online activity of Gen Z and millennials, especially during the pandemic, has opened new opportunities for luxury brands to engage with consumers and emphasized the need for digital experiences. This shift presents luxury brands with the challenge of redefining their value proposition in an environment where consumer engagement goes beyond mere transactions. The megatrend sustainability and ethical consumption are also gaining prominence as critical concerns for modern consumers. Younger generations are becoming more conscious of the environmental and social impact of their purchasing decisions and are demanding greater transparency and accountability from luxury brands.

While digital transformation is changing the way we purchase, artificial intelligence (AI) and other technologies are improving customer engagement but also risk challenging traditional values such as craftsmanship and exclusivity (Rangel-Perez and Lopez Vazquez 2022). Another pressing challenge for the luxury industry is the increasing democratization of luxury goods, as

noted by Seo & Buchanan-Oliver (2015). In the past, luxury was the domain of a few, but the growing middle class, particularly in emerging markets, has made luxury increasingly accessible to a broader consumer base. This democratization has led to the emergence of new segments within the luxury market, each with their own preferences and ideas of what constitutes true luxury. In addition, modern luxury customers are demanding personalized, high-quality experiences that reflect their unique tastes. Summarized, these factors highlight the future challenges and opportunities facing the luxury industry as it adapts to a rapidly changing market landscape. As the luxury industry continues to evolve, awareness and understanding of these dynamics will be critical for brands looking to succeed amidst the complexity of modern consumer expectations.

2.4. Trends

In response to these challenges, certain trends have emerged as counter-movements. Each of these trends affects luxury brands to varying degrees. The following section provides an overview and brief discussion of the nine most significant trends.

Digital transformation

Digital transformation has quickly emerged as a major trend over the past decade. This shift includes implementing advanced technologies that improve customer experiences and meet the evolving expectations of tech-savvy consumers, particularly Gen Z. Digital tools, such as social media, AI, blockchain, virtual reality (VR) and augmented reality (AR) are now critical for luxury brands aiming to remain competitive and resonate with modern consumers (Annamma Joy et al. 2022). Technologies like blockchain and non-fungible tokens (NFTs) additionally enhance product transparency and authenticity (Pangarkar & Shukla 2023). Despite the advantages, the luxury sector struggles with fully embracing digitalization. Many brands have been reluctant to engage with digital integration, concerned that it could erode the exclusivity. A recent survey by BCG and Comité Colbert revealed that two-thirds of luxury consumers feel

the sector is lagging in digital adoption (Hazan et al. 2022). This indicates a growing consumer demand for more sophisticated digital options.

Personalization

Personalization is the adaptation of products to individual preferences, with a focus on unique, customizable elements. This trend is being driven by luxury brands such as Rolex, who offer customized dials for their watches, or Bentley, which states that 75% of its customers have added customized elements in 2023 (Bruce & Reed, 2024). Consumers value personalized items because they feel these products reflect their individual tastes, preferences and identity, while also offering a heightened sense of exclusivity (Chatterjee et al. 2022). The trend towards personalization also extends to services, with top hotels and restaurants increasingly catering to the individual preferences and needs of their guests (Christodoulides et al. 2021).

Nevertheless, while consumers appreciate a certain amount of design freedom, such as the ability to customize sizes, colors, and features of luxury goods, there is a risk that offering an excess of options may dilute the brand's exclusive designer appeal and potentially undermine its luxury positioning (Moreau et al. 2020).

Masstige

Luxury brands have traditionally targeted a narrow and exclusive group of high-end consumers who are willing to pay a high price for high quality and exclusive products. Over the last 20 years, there has been a significant increase in the number of luxury brands worldwide that have expanded their business into the masstige market. Masstige involves the introduction of products and services at lower prices to appeal to a wider audience and is therefore part of product diversification (Ishihara & Zhang 2017). Product diversification is an important approach to growth in the luxury industry, with luxury brands expanding their product portfolios to enter new markets, reach a wider audience and adapt to the growing and differentiated needs of consumers (Boisvert & Ashill 2022). Tiffany & Co. offers a diverse

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product portfolio ranging from luxurious gold and platinum jewellery priced in the tens of thousands of dollars to more accessible options such as home decor items starting at \$60 (Tiffany & Co. n.d.). Research has shown that for most luxury brands, broadening their product portfolio, for example by adding more affordable products, has a positive impact on their market presence and brand resilience (Ahn & Gao 2024).

Sustainability

Sustainability is one of the trends of our time and therefore also plays a major role for luxury companies and their strategies. As consumers become increasingly conscious of environmental and social issues, businesses are compelled to adapt to these evolving expectations.

Gen Z is maturing into a group of adult consumers who will reward brands that have a positive impact on the environment and society and turn away from those that do the opposite (D'Arpizio et al. 2024). Atkinson & Kang (2022) describe that luxury consumers' awareness of sustainability has increased significantly in recent years. Today, sustainability is an important criterion for more than half of luxury consumers, a significant increase from just under 10% in 2013. This growing awareness has led to the luxury industry's practices being scrutinized, such as the use of unsustainable materials. In response, many luxury brands have introduced comprehensive sustainability programs to address these concerns and adapt to the changing expectations of their customers (Atkinson & Kang, 2022). However, the relationship between sustainability and luxury consumption in younger generations remains complex and underexplored. Despite the potential for sustainability initiatives to enhance brand perception and consumer loyalty, there is still a lack of consensus on their effectiveness (Vock 2022).

Glocalization

Globalization has fundamentally changed the luxury sector over the last few decades, transcending international boundaries. Luxury brands have adapted to global markets and have strategically expanded their presence in emerging markets to capitalize on the growing global

demand for luxury goods (Singh 2020). Entering foreign markets, however, requires a deep understanding of regional consumer preferences, which are often very different from the markets in which brands have traditionally focused (Singh 2020). This is where localization, understood as adapting to regional specifics, becomes important. Culture plays a central role in luxury consumption, profoundly shaping consumer behavior and motivations (Lu et al. 2022). The trend towards glocalization, which combines the global orientation of companies with the regional localization of industrial production, describes the strategic integration of global brand identity with local adaptation (Wahlrab 2022). This hybrid strategy allows brands to maintain their global exclusivity while responding to regional consumer habits and cultural nuances. Particularly in the dynamic and increasingly important Asian markets, China and India, the balance between global prestige and local relevance will be critical to the long-term success of luxury brands (Singh 2020).

Luxury experience

When most people think of luxury, they first think of expensive products. In contrast to luxury products as a sign of wealth, interest in luxury as an experience has increased over the last ten years (Holmqvist et al., 2019). Atkinson and Klang (2022) describe that consumers expect products and services of the highest quality, but that providing unique, emotional, and intrinsic experiences is key to consumers' new luxury needs, which are characterized by fantasy, emotion and enjoyment. Mrad et al. 2022 stated that a luxury experience is the enjoyment of exceptional products or services that exceed expectations through quality, convenience and personalization. It is characterized by exclusivity, attention to detail and a sense of prestige that encompasses every moment of the customer journey, from entry to purchase. Gupta et al. 2023 show in their article that the latest luxury trend even shows that luxury experiences such as hospitality, cruises, private jets, cars, yachts, fine wines and gourmet food are growing faster and more promising than luxury fashion. Luxury brands must therefore ensure that they offer exceptional emotional experiences.

Health and wellness

Today's modernized lifestyles, such as increased stress at work, depression and sedentary habits, have increased society's awareness of wellness, health support and preventative approaches. The growth of luxury offerings in the health and wellness industry shows that people are increasingly investing in luxury health and spa solutions, and for some, 'feeling good' is the new ultimate luxury (Garg 2016). Luxury wellness retreats have become increasingly successful in recent years. Trends in the wellness sector include healthy ageing, weight management, fitness and sleep. Millennials and Gen Z are the generations that buy more wellness products and services than the previous generations (Callaghan et al. 2024). The wellness and well-being trend is particularly recognizable in the luxury hotel sector. Luxury hotels are increasingly focusing on innovative approaches to increase the well-being of their guests like yoga retreats or sleep trackers for individual temperature regulation. Luxury brands such as Dior are also expanding their network of brand spas in luxury hotels worldwide. There, guests experience exclusive 'Dioriginel' beauty rituals that bring the history and values of the brand to life in a unique way (Nahas et al. 2024).

Sharing economy

Sharing economy is a concept using technology to let people share (luxury) goods and experiences. This model includes borrowing, renting, swapping and co-ownership and is gaining popularity as it places less emphasis on private ownership (Christodoulides et al. 2021). The secondhand luxury market, which is just one of the new forms of luxury consumption, is expected to be worth \$50 million by 2025, growing at 13% per year, compared to +5% per year for the first-hand market (Hazan et al. 2022). Cost savings are often cited as a primary but not sole benefit. The business models of these platforms vary from individual rentals to subscription services, often also offering purchase options after the rental period. For example, Luxury Closet, the leading online boutique for buying and selling new and used luxury items

(Christodoulides et al. 2021). This trend promotes a more efficient use of resources, reduces overconsumption, and allows consumers to experience luxury without making a long-term commitment, which is particularly appreciated by Gen Z (Dobre et al. 2021).

Inconspicuous luxury

For a long-time, luxury was associated with conspicuous consumption, which was about gaining social recognition through visible behavior and showing off wealth. However, more and more consumers are opting for inconspicuous luxury consumption. Large brand symbols are even increasingly perceived as unattractive and flashy. The value of luxury today seems to lie in its superior quality and the perception of exclusivity (Pangarkar and Shukla 2023). This is why luxury brands are increasingly focusing on collections with subtle statement designs. Today's luxury consumers appreciate these understated designs, unobtrusive logos, simple styles and cuts that are only recognised and appreciated by a small group and signal specialness and exclusivity for them (Pangarkar and Shukla 2023; Kuşcu 2021). The trend of inconspicuous luxury, while not brand new as highlighted already by Eckardt et al. in 2015, remains highly relevant in recent studies, underscoring its ongoing significance. An example of this are Louboutin's shoes, which are recognizable as luxurious due to their red soles with no prominent logos.

3. Methodology

3.1. Design of the Research

A comprehensive review of the existing literature helped to identify three key trends, that play a significant role in shaping the consumer behavior of Gen Z in the context of luxury items: sustainability, masstige, and digital transformation. This thesis adopts a quantitative research approach using a survey designed to explore how these trends influence purchasing decisions within this demographic. The figure below illustrates an overview of the approach used in this study. This structure is used for the overall thesis and for the individual parts respectively.

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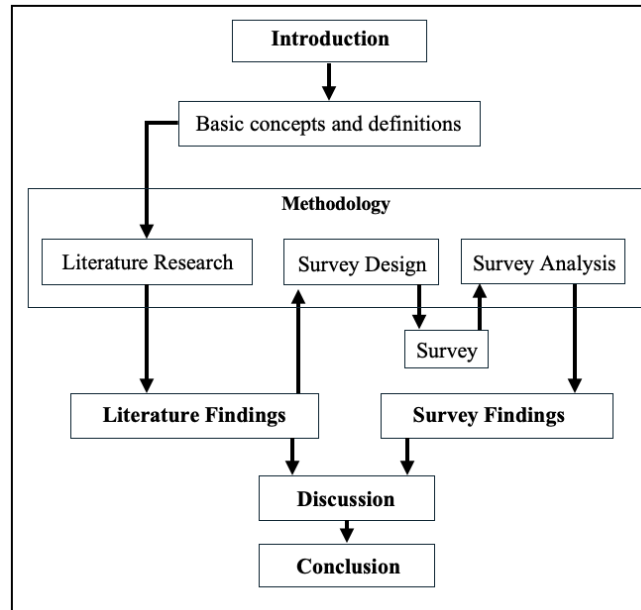


Figure 1: Structure of the work project (own creation)

To gather insights, a standardized questionnaire aimed at capturing the preferences, attitudes, and behaviors of Gen Z consumers, was designed. The survey served as the primary data collection method. A pretest was conducted with five participants, aged 20 to 55 and with varying levels of technical expertise. This process ensured that the final survey met the study's quality criteria, including objectivity, reliability, and validity (Bourke et al. 2016). Conducting the survey in English ensured that language barriers did not pose any challenges. A survey as the sole research method was chosen due to the ability to collect standardized, objective, and comparable data efficiently and reliably. Surveys allow for the collection of quantitative data from large samples while minimizing researcher influence, aligning well with the goals and constraints of this thesis. Given the collaborative nature of this project, the thesis is structured into three distinct sections, each dedicated to one of the identified trends: sustainability, masstige and digital transformation. Each section is independently organized into key components: an introduction, literature review, identification of research gaps, methodology, findings, discussion, theoretical and practical implications as well as limitations and future research. This structure ensures that each trend is analyzed in depth, highlighting its unique impact on luxury consumption within Gen Z. In the final shared findings and discussion section,

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these results are integrated and compared to examine how the trends relate to one another and their collective impact on Gen Z's consumer behavior. The project examines the consumer behavior of Gen Z, with a particular focus on the purchase decision process and the factors that influence customer loyalty. To create a logical and consistent structure, the findings section is based on a modified model of the purchase funnel. This well-established tool for analyzing consumer behavior is illustrated in the figure below.

The funnel helps break down the customer journey into stages, enabling a systematic understanding of what influences consumers at each stage of their decision-making process. This model is particularly relevant to the luxury segment, where purchase decisions often involve high emotional, financial and social stakes. Basing insights on this model provides a clear and structured analysis of how Gen Z's behavior aligns with these trends, making it easier to interpret their motivations and loyalty patterns.

3.2. Derivation of Hypotheses

To address the central research question of this study, various trends were initially analyzed. Based on these analyses, three key trends were identified and selected for further investigation.

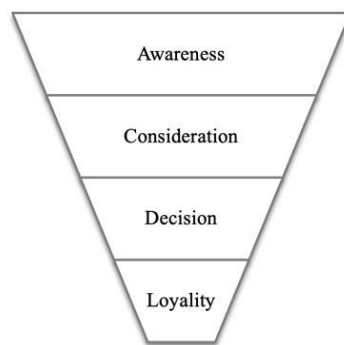


Figure 2: Modified purchase funnel (own creation)

Three hypotheses were then developed and surveyed to assess whether these trends are truly relevant to Gen Z when considering luxury:

- H_{1a} : Sustainability is important to Gen Z when it comes to luxury items
- H_{1b} : Masstige is important to Gen Z when it comes to luxury items

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- H_{1c} : Digital Transformation is important to Gen Z when it comes to luxury items

Building on these hypotheses, further analyses were conducted on the three topics. Finally, the trends were compared to determine which factor ultimately has which influence on Gen Z's purchasing decisions. This approach ensures a detailed and well-rounded understanding of the relevant trends in the luxury context. The following figure demonstrates the objective of the research, which is to categorize and clarify the impact of the three identified key trends on the consumer behavior of Gen Z.

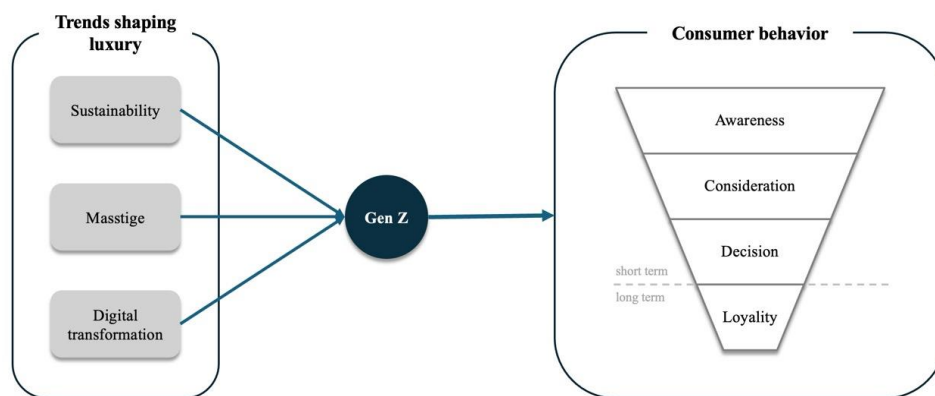


Figure 3: Trends shaping Gen Z's consumer behavior (own creation)

3.3. Collection of Data

The online survey was created using the Microsoft Forms survey tool and made available to participants via a publicly accessible, non-personalized link over a two-week period. The survey was distributed to friends and family via social media and the online platform SurveySwap to reach an even larger and more diversified target group. One of the main advantages of conducting an online survey is the ease with which spatial and time constraints can be overcome (Knapp & van den Bogaert 2023). This allows the online questionnaire to survey a large sample and thus obtain representative results. In order to obtain high quality data, certain quality criteria must be met (Aguinis 2024). This study meets the main quality criteria of objectivity, reliability, and validity, as a standardized, anonymous online questionnaire, validated by pre-tests, was administered to a large sample (Bourke et al. 2016).

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The aim of the study is to create a representative sample that is smaller than the population, but still accurate (Bourke et al. 2016). Focusing on the three age groups, Gen Z, Millennials, and individuals aged 45+, allows the study to identify and analyze cross-generational trends in the luxury industry. While people aged 45 or older and Millennials are an established target group of luxury brands, Gen Z is particularly relevant as they are characterized not only by their digital consumer behavior, but also by their growing influence on current and future market trends. The study of three age groups with a clearly prominent share of Gen Z therefore provides a differentiated view of the factors and behaviors that influence luxury demands and their future trends.

3.4. Survey Structure

The survey consisted of 30 questions, 17 single choice and 13 multiple choice. The five-point Likert scale was used for nine of the questions. It is a rating system that allows respondents to express their degree of agreement from strongly agree to strongly disagree, including a neutral option. Every question had the option 'None of these' or a neutral response to ensure that participants, who could not relate to any answer, could not distort the results. The design of the online survey followed a clear, logical structure. At the beginning, participants were given a general introduction, followed by two demographic questions on age and gender to categorize respondents and enable filtering specifically for Gen Z participants. Following this, a pivotal question identifies the respondent's luxury consumption type (Beaverstock et al. 2010). This question classifies individuals into multiple categories, ranging from those who never purchase luxury, to those who occasionally treat themselves on special occasions and to those for whom luxury is a lifestyle, such as owning only high-end items or extravagant assets like a helicopter. These examples illustrate the broad spectrum of luxury consumer types addressed in the survey and enables a more transparent interpretation of the results.

Next, two general questions investigate what participants value most about luxury and which luxury sectors they find most appealing. To ensure a differentiated and scientifically based

analysis, the luxury market is divided into the nine segments described in the Bain & Company Luxury Report (D'Arpizio et al. 2024). The survey then progresses to its core sections, with nine questions focusing on sustainability, seven on masstige and seven on digital transformation. Each section begins with a Likert scale question asking participants to rate the importance of the respective theme, allowing for a comparative analysis of the relevance of the three trends to Gen Z. Finally, the survey concludes with two questions aimed at understanding customer loyalty. These questions examine the factors most influential in fostering loyalty and identify the primary barriers to purchasing decisions that brands should avoid. This carefully structured approach ensures that the survey captures diverse perspectives on luxury consumption among Gen Z while aligning with the thesis's overall objectives. All specific questions and answers from the survey can be found in the Appendix.

3.5. Descriptive Insights

The following section presents the results of the quantitative online survey conducted as part of this thesis. The data was analyzed using the software tool Jamovi. To test hypotheses H_{1a} , H_{1b} and H_{1c} the Pearson chi-square test for normal distribution was selected. This test is used to analyze whether the frequencies observed in the sample deviate significantly from the normal distribution. The chi-square test is characterized by its robustness and ease of use, which makes it a proven tool for analyzing survey data. The methodological requirements for carrying out the chi-square test are fully met in the present study: The variables under consideration are categorical, specifically ordinal in nature, with a response scale ranging from expressing strong importance to expressing strong unimportance. Additionally, all expected cell frequencies were ensured to be ≥ 5 , fulfilling the conditions necessary for the application of this test (Chi-Square Test of Independence n.d.). We chose an alpha value of 0.05 as the significance level as it is an established standard and provides a good balance between accuracy and practicality.

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The sample size for the study was sufficient to ensure valid and reliable statements about the population. A total of 314 individuals completed the questionnaire in full. Among these, more than half of the participants, specifically 189 individuals (60.2%), belong to Gen Z. Millennials are represented by 74 participants (23.6%), while 51 participants (16.2%) belong to the generations aged 45 or older. Given this distribution and the total sample size, all categories had more than 30 respondents. According to the central limit theorem, this sample size is adequate for the application of statistical methods based on the normal distribution, ensuring reliable and statistically validated results (Kwak & Kim 2017).

With 162 respondents (51.6%) identifying as female compared to 152 respondents (48.4%) identifying as male, there is no significant gender imbalance overall. This relatively balanced structure runs through all generations. While slightly more Gen Z women (52.9% to 47.1%) and Millennial women (52.7% to 47.3%) responded to the survey, slightly more men (54.9% to 45.1%) responded among the generations over the age of 45. These demographics provide a solid basis for interpreting the results in terms of gender differences and generational consumption habits in the luxury sector. Interestingly, the survey results indicate no significant differences between male and female respondents in this context.

The single choice question about the type of luxury consumer of the respondents shows that most respondents in all age groups buy luxury items rather rarely, i.e. for special occasions. In Gen Z, as many as 75.1% state that they 'rarely' buy luxury goods, while around 9% buy luxury goods 'occasionally' and 3.2% 'frequently'. Only 2.1% 'regularly' buy luxury items and 7.4% are 'interested in luxury items and trends but cannot afford them'. A further 2.6% have 'no interest in luxury'. The distribution is similar for the other two groups. Although it is noticeable that people aged 45 and over are slightly more likely to buy luxury goods 'frequently' (23.5%) than younger generations. Nevertheless, the basic tenor here also remains that luxury items are predominantly bought rarely by the respondents of the survey.

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The multiple-choice question on which areas of luxury are of most interest to respondents revealed that Gen Z is most interested in 'Personal luxury' at 87.3%, followed by 'Luxury hospitality' at 58.2% and 'Luxury cars' at 21.2%. The other areas were met with less interest: 'High-end furniture' with 9.5%, 'Fine wines and spirits' by 7.4%, and 'Fine art' by 4.2%. Interest in 'Luxury cruises' at 2.1% and 'Private yachts' with 1.6% was the lowest, while 4.2% stated that they were 'Not interested in any of the areas' mentioned. The distribution of the first three categories is similar among millennials and aged 45+, with 'Personal luxury', 'Luxury hospitality' and 'Luxury cars' being mentioned most frequently. However, it is noticeable that interest in the areas of 'Fine wines and spirits', 'High-end furniture' and 'Fine art' tends to increase with age. Interest in 'Fine wines and spirits' (31.4%) and 'Fine art' (19.6%) is particularly higher among people aged 45+ than among the younger generations.

Shaping the future of luxury: Masstige as influencing trend in Gen Z consumer behavior

Dana Baumann

4. Masstige

4.1. Introduction

In the 21st century, the luxury industry has undergone a significant transformation, with an increasing focus on masstige as a strategic approach (Wang et al. 2022). This is due to recent structural and cultural changes in capitalist markets, such as the corona pandemic, globalization, and the growth of the middle class (Uluturk & Asan 2024). Silverstein and Fiske (2003) provided the first introduction to masstige, which they defined as a marketing concept combining the terms ‘mass’ and ‘prestige’, involving high-quality, luxury-like products offered at lower prices. With the innovative masstige approach, many premium brands aim to combine the exclusive characteristics and brand identity of luxury brands with a more affordable price model, making premium brands more accessible and attractive to a wider audience (Kumar et al. 2019). This reflects the generational shift towards younger consumers and underlines the strategic focus of many premium brands on Gen Z, a demographic that prioritizes luxury items that enhance their social status while remaining within an accessible price range (Chatterjee et al. 2022). Examples of masstige strategies by luxury brands that lower the price threshold and make their products widely available include Prada’s nylon bag made from alternative materials, Apple’s iPhone SE, a simplified version of its flagship device, and the collaboration between luxury brand Versace and mass retailer H&M.

Masstige contrasts with some of the core values and motivations of luxury consumption, which focus on high prices, exclusivity, and desirability (Ishihara & Zhang 2017). Driven by the inevitable homogenization that comes with wider accessibility, luxury brands often compromise their functional exclusivity through masstige strategies to increase their market share (Zaheer et al. 2023). This is why the central challenge for masstige is the balancing act

between availability and desirability, as they occupy a niche between the mass market and high-end goods (Uluturk & Asan 2024).

As the number of luxury brands adopting the masstige strategy has increased worldwide, so has the interest in masstige topics, both in research and in practice. However, the academic literature is still very fragmented (Mansoor et al. 2024). In this context, the factors price, quality, exclusivity, and perceived prestige value that influence consumer choices, as well as perceived advantages of choosing masstige products or services over traditional luxury goods are analyzed. Thus, this study is guided by the research question: *How and which aspects of masstige affect the consumer behavior, more specifically the purchasing decisions and potential shift in loyalty of Gen Z toward luxury brands?*

The first part contains a literature review that examines price, quality, exclusivity, and perceived prestige value. These four attributes not only represent the central motives of traditional luxury values, but also reflect the values of masstige consumers and differentiate the approaches (Uluturk & Asan, 2024). Then, the results of the survey, which was conducted for the elaboration of this research are presented. Subsequently, the findings are discussed as well as the conditions under which the purchase intention and the perception of the luxury brand are indicated. Finally, the limitations of this work are explained, and the study is concluded.

4.2. Literature Review

Price

One of the most important indicators of a masstige brand's success is its pricing strategy, as price plays a crucial role in the purchase decision, especially among price-sensitive consumer groups such as Gen Z (Kolańska-Stronka & Krasa 2023). The article by Kapferer and Valette-Florence (2021) emphasizes that a high price is often associated with luxury and reinforces extrinsic motivations such as the desire for status and belonging. The masstige approach uses price as a powerful motivator by striking a delicate balance between affordability and perceived

exclusivity. According to the masstige theoretical model, brands that effectively establish mass prestige and strong brand value can position themselves at a significantly higher price point than mass market brands, but more accessible than traditional luxury products (Kumar et al. 2019). This strategic pricing allows them to capitalize on perceived prestige while maintaining broader consumer appeal. Paul (2018) introduced the equations $\text{premium price} = f(\text{mass prestige})$ and $\text{mass prestige} = f(\text{product, promotion, and place strategies})$ to explain that masstige products can command higher prices than mass market brands if they provide consumers sufficient prestige relative to price. This mass prestige can be achieved through high quality product features, exclusive promotions, and strategic placement (Kumar et al. 2019). Price and willingness to pay are therefore closely and positively related to exclusivity (Kapferer & Valette-Florence 2021). At the same time, consumers also see higher prices as justified if the quality is in line with the cost (Michael et al. 2021; Wahjoedi et al. 2022). Thus, the literature agrees that consumers who feel that the price of a masstige product is set at an appropriate level for its characteristics are more likely to purchase it (Soni 2023).

Quality

The quality of a product or service is a critical determinant of consumer purchase decisions for masstige products making it a major focus of academic literature. The perceived quality of a product is exemplified by attributes such as durability, performance, materials and design, all which influence consumer behavior (Chatterjee et al. 2022; Das et al. 2022). In the luxury industry, functionality and performance stand out as fundamental elements in this evaluation, reinforcing the overall value and appeal of the product or service. Suzuki and Kanno (2022) define functionality as the practical, user-centric attributes of a product, combined with experiential and symbolic values that enhance the perception of luxury. Unlike traditional luxury goods, which are based on craftsmanship and heritage, masstige products are positioned between luxury and mass market. Purohit and Radia (2022) emphasize that masstige products must have high functional value to satisfy the consumer demands of a broad target group, while

justifying the higher price point compared to mass-market products. According to the literature, a well-defined premium brand positioning enhances the perception of superior functionality and high quality, which significantly increases consumer purchase intention (Michael et al. 2021).

Exclusivity

The exclusivity of a product or service is central to the perception of luxury brands and has an impact on consumer purchasing behavior. Kapferer (2015) emphasizes the importance of this aspect, stating: "[The] exclusivity factor is what distinguishes luxury from premium brands, and all the more so, from masstige (mass prestige) brands". This suggests that exclusivity refers to the special appeal of a brand or product, characterized by limited availability and high prestige, and therefore cannot be taken for granted in relation to masstige items. However, as this statement also emphasizes the importance of exclusivity, some masstige brands have already tried to satisfy consumers' desire for uniqueness and create a sense of belonging to a selective group through strategically limited editions, special promotions, membership programs or collections with renowned designers (Al-Issa et al. 2024). Kim et al. 2019, showed that there is a correlation between the characteristics of masstige products, as products perceived as high quality and highly functionality are associated with an exclusive character by customers. Suzuki and Kanno's (2022) study also showed that brand positioning is crucial. As these findings suggest, there are contradictive views in the academic debate about exclusivity in relation to masstige products, which are also related to the association between exclusivity and purchase intention. While Wang et al. (2022) argue that product exclusivity shapes overall luxury perceptions and positively influences consumers' purchase intention, Zaheer et al. (2023) challenge this hypothesis by showing that exclusivity is not necessarily positively correlated with purchase intention.

Perceived prestige value

In the literature, the consumer perception of the prestige value of masstige products is described as a key factor influencing the purchase intention of Gen Z. This consumer group prefers goods with a high level of social prestige, as shown in the study by Das et al. (2022). This observation is supported by other studies which show that consumers seek to acquire the prestige value that the product or service conveys for themselves (Nuzula and Wahyudi 2022). For Gen Z, premium branded goods go beyond material possessions and become a way of expressing identity and social belonging (Park et al. 2022). Therefore, the literature also emphasizes the authenticity and positioning of brands as influencing factors in the perception of prestige value. Masstige products and services that convey a clear, credible and noble brand identity increase prestige because they connect with the consumer's identity, reflect the values of younger generations and stand out from anonymous mass market products (Wang et al. 2022). Therefore, presence and awareness on social networks, where Gen Z is very active, is crucial and can increase the perceived prestige and thus the attractiveness of the brand (Bilro et al., 2021). According to Yang et al. (2018) and Kim et al. (2019), a high prestige value of a product assures buyers that the product meets their functional needs, which increases confidence in the product quality and facilitates their purchase decision.

4.3. Research Gap

A particularly notable gap in the literature concerns the long-term effects of masstige strategies on brand image and customer loyalty, as well as their interplay with brand management and pricing strategies. While masstige approaches can boost sales in the short term, their impact on expectations and brand perceptions remains largely unexplored. This is particularly relevant for Gen Z, the key consumer group for this innovative strategy. Understanding the aspects of masstige is crucial beyond fashion, which is the focus of most studies on masstige, as this trend has the potential to function as a universal strategy within the luxury segment. Additionally, there is limited research examining the interplay between the core drivers of masstige purchases, namely price, quality, exclusivity and perceived prestige value, and their influence

on Gen Z consumer behavior and purchase intentions. Existing studies often focus on these attributes in isolation, leaving the combined impact of these factors largely unexplored. Given these gaps, it is imperative to take a holistic view of the dynamic landscape of masstige.

4.4. Methodology

Existing research highlights the growing prominence of masstige in the luxury industry. This section focuses on examining its specific impact on the consumer behavior of the respondents to this survey. The analysis begins by assessing the relevance of masstige as one of the three key trends identified in the research. The basic procedure is to first test the hypothesis *H_{1b}: Masstige is important to Gen Z when it comes to luxury items*. This is based on Gen Z responses to the question ‘How important is it to you that luxury brands launch a new product or service at a more affordable price’, providing valuable insights into the generation’s purchasing priorities and allowing for comparative analysis with the other two trends analyzed in this paper in terms of their relative importance and potential impact on consumer behavior.

The survey includes six additional questions focused on masstige, thoughtfully structured in a sequential and logical order, ensuring a smooth progression that captures both the breadth and depth of the topic. The survey begins by asking participants to identify which add-on offerings they find most attractive and appealing within the context of luxury brands. This initial question is strategically chosen, as it lays the foundation for understanding participants’ underlying preferences and perceptions regarding luxury brand customization, price sensitivity, and openness to innovation. The response options are designed to encompass the core principle of the masstige strategy, alongside an alternative interpretation that includes market expansion and the contrast that corresponds to the traditional luxury approach and involves upmarket prices. To assess awareness and understanding of the masstige strategy, the next question in the survey asks the participants if they are aware that famous luxury brands have adopted a strategy of launching more affordable products or services to reach a broader audience. As the term

‘masstige’ and its scope may not be familiar to all participants, the concept is explained and three real-life implementations of the strategy from different areas of well-known luxury brands are used as examples. Respondents are then asked about their likelihood of purchasing a more affordable luxury product to analyze the appeal, frequency, and probability of buying masstige products and services. Next, customization preferences are explored by asking participants which of five realistic strategies they find most desirable, such as collaborations with non-luxury brands, smaller sizes or simplified products. These options, accompanied by examples, help to identify the specific modifications that will appeal to Gen Z and the areas where they will not compromise. Building on this, the next question explores emotional factors, asking participants about the impact of luxury purchases on their self-image and perceived wealth. This sheds light on the symbolic and psychological dimensions of masstige consumption.

Finally, the survey examines which attributes respondents are least willing to sacrifice for affordability, such as quality, exclusivity, or brand heritage. These findings highlight generational differences in expectations and what is essential to the integrity of a luxury brand. The specific wording of the questions and the responses can be found in Appendix 3.

4.5. Findings

Following the descriptive data analysis in section 3.5., inferential statistics are now used to test the hypothesis H_{1b} : *Masstige is important to Gen Z when it comes to luxury items*. The null hypothesis H_{0b} , which states that masstige is not important to Gen Z when it comes to luxury items, can be rejected after performing a Pearson chi-square test for normal distribution. The p-value is $< 0,001$, which is less than the specified alpha of 0.05. This means that the survey is not normally distributed and there is a clear shift in the responses towards ‘important’. It is therefore reasonable to assume that masstige is an important factor for Gen Z when it comes to luxury goods. The following section outlines the results of the seven survey questions on the

topic masstige. The findings are summarized using the modified purchase funnel (Figure 2), which is a modified version of the customer journey.

Awareness

The results of the survey show that 79.4% of Gen Z respondents are aware of the masstige strategies used by luxury brands. This finding highlights that younger generations are largely aware of the changes in the luxury market. They have recognized the shift towards affordable luxury, suggesting that masstige strategies are increasingly influencing the perceptions of younger audiences. This shows that marketing efforts and product launches by luxury brands that focus on more affordable offerings are already having an impact and therefore influencing brand success. However, this trend has not yet been fully recognized by the target group, with 22.3% of Gen Z still unaware of this approach.

The survey also reveals a clear generational divide in attitudes towards masstige, as illustrated by the question on the importance of luxury brands introducing new products or services at a more affordable price. Among Gen Z respondents, 25.9% consider masstige products and services ‘very important’ and a further 48.7% consider them ‘somewhat important’. Combined, this equates to 74.6%, demonstrating that nearly three quarters of Gen Z recognize the critical role masstige plays in shaping their consumer behavior. Millennials also show remarkable support for masstige, although their enthusiasm is slightly less pronounced. A total of 64.9% rate it as ‘very important’ or ‘somewhat important’. While the proportion of ‘neutral’ responses is similar between Gen Z (12.2%) and Millennials (13.5%), Millennials are more likely to view masstige unfavorable, with 21.7% considering it ‘somewhat unimportant’ or ‘very unimportant’, compared to only 13.2% of Gen Z. In contrast, the group aged 45 and older is the most skeptical about masstige. A significant proportion (31.4%) remain ‘neutral’, while 19.6% rate it as ‘somewhat unimportant’ and 11.8% as ‘very unimportant’. Only 37.3% of respondents in this age group consider masstige to be ‘important’ (15.7%) or ‘somewhat important’ (21.6%), further highlighting the generational divide. These findings underscore a strong alignment

between masstige and the preferences of younger generations, particularly Gen Z, while older generations tend to approach the concept with indifference or skepticism. prestige.

Consideration

For Gen Z, incorporating affordable products and services emerges as the most attractive and appealing add-on for luxury brands to offer, with 68.8% expressing this preference. This inclination aligns seamlessly with the principles of the masstige strategy. Moreover, this desire is complemented by an openness to innovation, with 21.7% of Gen Z favoring expansion into new markets. The younger generation is not only attracted to luxury items at a lower price point, but also values new experiences and creative solutions that challenge traditional perceptions of luxury. This further reinforces the relevance of masstige strategies for this demographic and encourages luxury brands to integrate both approaches. A comparison with older respondents aged 45 and over illustrates the divergence in preferences, with the majority choosing more exclusive collections, which are more expensive and therefore more in line with the traditional understanding of luxury (41.2%).

A further determining factor in the consideration phase for Gen Z is the provision of personalization. The results show the target group's appreciation of high value items that combine prestige, affordability, and accessibility. More than half of Gen Z (58.2%) find limited edition 'collaborations between luxury and non-luxury brands' particularly attractive, as they offer the opportunity to purchase products at a lower price. In addition, the finding that 60.3% of Gen Z respondents indicated that they consider 'new, more affordable product/service categories' to be the most desirable form of customization illustrates the growing demand among younger consumers for greater accessibility within the luxury segment. In contrast, respondents aged 45 and older are more conservative with 54.9% rejecting any changes to the traditional luxury model. It can therefore be said that the consideration phase of Gen Z and Millennials is characterized by a strong need for affordability, innovation, and accessibility,

while respondents 45+ place greater importance on more traditional attributes such as high quality, exclusivity, and prestige.

Decision

The results of the survey show that Gen Z's decision phase for masstige strategies of luxury brands is strongly influenced by price accessibility. 79.9% of Gen Z said they would be 'somewhat likely' (50.3%) or 'very likely' (29.6%) to buy a new product or service offered at a lower price by a favorite luxury brand, while only 4.8% would be 'very unlikely' to do so. This shows that more affordable prices can increase this generation's willingness to buy and lead to more frequent purchases. The situation is similar for millennials, 68.9% of whom would consider such an offer (41.9% 'somewhat likely' or 27.0% 'very likely'). In contrast, respondents aged 45 and over are much more cautious: 41.2% are 'neutral', while 29.4% are 'somewhat unlikely' (21.6%) or 'very unlikely' (7.8%) to take advantage of such offers.

Regardless of price accessibility, quality remains a key decision factor across all generations, as the survey results show. A large proportion of respondents refuse to accept lower quality for a lower price, with 67.2% of Gen Z, 86.5% of Millennials and 66.7% of 45+ agreeing with this statement. However, for younger luxury consumers, exclusivity is a compelling counterbalance to quality in the decision-making process. Among Gen Z, 61.4% consider exclusivity a key determinant, expressing reluctance to accept widely owned luxury items even if they are offered at a lower price. This highlights the generation's preference for luxury as a means of self-expression and differentiation, underscoring the symbolic and status-driven aspects of their consumer behavior. Millennials exhibit an even stronger inclination toward exclusivity than Gen Z, with 64.9% emphasizing its importance. In contrast, exclusivity holds a bit less significance for the 45+ age group, with 54.9% expressing concerns. This difference can be attributed to their tendency to define luxury more through traditional and intrinsic values. However, this group is notably critical of collaborations between luxury brands and non-luxury

or mass-market brands (47.1%) and the use of non-exclusive distribution channels (41.2%). Such practices are perceived by older people as potentially detrimental to classical luxury values and can damage the classic luxury values and dilute the brand's image. It can therefore be concluded that more affordable prices will have a positive impact on Gen Z's purchasing intentions. However, this will depend on luxury brands successfully implementing strategic and innovative approaches that maintain both quality and exclusivity to meet this generation's preferences. Such approaches are less aligned with the values of older generations, which is why luxury brands tend to focus their masstige efforts primarily on appealing to Gen Z.

Loyalty

The results show that the majority of Gen Z (30.2% 'strongly agree' and 47.1% 'agree') feel pride and confidence when buying a luxury product, regardless of the specific product, price, or quality. Remarkably, only 7.4% of respondents 'disagreed' and 3.7% 'strongly disagreed', suggesting that a small minority of this demographic is unmoved and for whom luxury fails to evoke an emotional connection. These emotions of pride and self-confidence are closely linked to brand identification and extend beyond individual purchases, fostering a long-term relationship with the brand and potentially acting as a driver of brand loyalty. For younger audiences, it is therefore important that luxury brands emphasize not only quality, but also the emotional and symbolic dimensions that make these products aspirational and personally meaningful.

4.6. Discussion

In line with the existing literature, the results of this study show that the masstige strategy is particularly important for Gen Z (Kumar et al., 2019). The dynamic interplay between the four stages of the modified purchase funnel shows that the tension between 'mass' and 'prestige' plays a central role.

The findings are consistent with the literature, which states that Gen Z is highly price sensitive due to factors such as their early career stage, rising cost of living and growing up in a time of economic uncertainty. This leads them to positively perceive more affordable products developed as part of *masstige* strategies, increasing their willingness to purchase them (Burhanudin 2022; Zaheer et al. 2023).

Both the empirical findings of this study and the existing literature point to a significant generational shift in luxury consumption. While Gen Z and Millennials share similar attitudes and behaviors, particularly valuing the attributes of affordability, inclusivity, and innovation, they differ from those aged 45 and above, who place more value on traditional luxury attributes such as high prices, refined details, and sophisticated presentation like premium packaging (Uluturk & Asan 2024; Al-Issa et al. 2024). Exclusivity is a driving factor in Gen Z's purchasing decisions, as it plays an important role in enabling their self-expression (Kim et al. 2019; Nuzula and Wahyudi 2022; Wang et al. 2022). Therefore, a careful balance between exclusivity and availability of the brand and its products is essential. However, based on the findings of this study, it is particularly noteworthy that quality remains the most important factor regardless of price. This universal emphasis on quality underscores its central role in the success of luxury brands across generations, a factor less emphasized in the literature (Al-Issa et al. 2024; Zaheer et al. 2023). Furthermore, Gen Z's openness to innovation demonstrates a high level of acceptance not only for differentiated and creative versions of existing product portfolios but also for the expansion into new market segments with more affordable options, which aligns with Chatterjee et al.'s (2022) observations. In addition, collaborations with non-luxury brands in limited editions and simplified versions are particularly welcome, provided they uphold adequate levels of quality and exclusivity.

The results of this study challenge Kapferer and Valette-Florence's (2021) assertion that extrinsic motivations predominate. While the survey results also show the importance of extrinsic factors such as status signals and social affiliation, intrinsic values such as quality and

functionality prove to be the dominant drivers of purchase decisions. This suggests that while extrinsic motivations are undeniably influential, they are not the primary determinants of consumer behavior in this context. Instead, the emphasis on quality and functionality highlights the continued importance of intrinsic motivations, suggesting that even in mass luxury markets, consumers seek products whose performance and value go beyond external perceptions.

This finding provides a nuanced perspective and highlights the need for brands that are diversifying their product portfolios with more affordable products to balance both intrinsic and extrinsic incentives to appeal effectively to their target audiences. Accordingly, the successful implementation of masstige strategies requires not only a thoughtful equilibrium between exclusivity and accessibility but also a careful alignment of quality and affordability.

4.7. Theoretical and practical implications

This study provides theoretical contributions to the literature examining the aspects of masstige consumer behavior. Masstige products and services are considered attractive when consumers perceive their quality to be fair in relation to their price and when they have a strong psychological appeal through a sense of status and exclusivity. However, because of the high sales volumes typically achieved through a masstige strategy, it is not about actual exclusivity but about perceived exclusivity.

On the practical side, the study highlights the need to segment the customers, as unlike Gen Z and Millennials, who generally welcome any expansion of the product portfolio to include more affordable products, those aged 45 or older tend to reject innovative approaches and favor traditional luxury values. Therefore, masstige strategies only make sense if a luxury brand wants to focus on younger audiences in the long-term, as this strategy has a lasting impact on the brand's image. Furthermore, it is important that luxury brands strategically navigate the concept of masstige, balancing exclusivity with accessibility to meet the evolving expectations of younger generations. This can be achieved through competitive pricing, exclusive

membership programs artisanal mass production, targeted collaborations and the integration of digital tools such as virtual showrooms and try-on solutions.

Masstige has been a huge success for several brands by addressing the needs of the value-conscious Gen Z, a demographic characterized by substantial purchasing power. However, for this approach to achieve sustained success, it must be implemented holistically to ensure that affordability is seamlessly integrated into the brand's identity. The strategic positioning of masstige brands is essential to stand out in a highly competitive environment. Combined with targeted and intense marketing and communication strategies that inspire pride and trust, this approach can help brands reach the untapped Gen Z segment. Channels that are particularly popular with Gen Z, such as social media, influencer collaborations or experiential campaigns, should be prioritized to effectively increase brand awareness and engagement.

4.8. Limitations and future research

Although this study has several theoretical and practical implications, specific limitations are identified in this chapter, considering the general research limitations from Section 9.2. A larger sample size might have led to more representative results. The scope of the analysis is also limited by the fact that there are only seven questions on masstige, which restricts a deeper exploration of its full impact on consumer behavior. In addition, the data collected does not provide sufficient information to effectively categorize respondents into specific buyer groups, such as premium luxury buyers, masstige buyers, mass market consumers, those who purchase across all categories, those who fall into none of these groups. Future research could benefit from incorporating these differentiated perspectives to add depth and refinement to the findings.

This study focuses on respondents' perceptions in the past and current impressions. Extended and qualitative research methods, such as long-term studies or in-depth interviews, could be particularly useful for capturing the indirect or long-term effects of masstige, delving deeper into participants' experiences and motivations, and uncovering the complex dynamics,

individual variations, and contextual influences. The results of the study are also influenced by the specific economic and social context at the time of data collection. Future research could examine the impact of these strategies in different market conditions or geographical regions, as economic changes strongly influence the relevance and effectiveness of masstige strategies. Masstige has often been studied in the context of luxury, but it may be valuable for future researchers to explore this concept in the context of mass market products, particularly by examining the influence of consumer personality traits on perceptions and preferences.

Expanding the study to encompass the opinions, strategies and perceptions of luxury brands would provide a holistic analysis that integrates both the supply and demand sides of the market. A deeper understanding of the complex dynamics between masstige brands and their customers could inform the development of more effective customer loyalty strategies, enhance the optimization of brand positioning, and encourage innovative approaches to achieving sustainable growth in this market segment.

5. Common findings

The three final general questions of the survey were added to provide valuable insights into purchasing decision factors and the key drivers of brand loyalty in the luxury market for consumers. These results serve as a crucial basis for comparison and discussion between the three trends analyzed, helping to contextualize their relative importance and influence on Gen Z consumer behavior.

The results of the question on motivation for luxury purchases highlight significant generational differences in motivations for luxury purchases, with Gen Z showing a strong sensitivity to trends, influencers, and peer influence (72%) compared to Millennials (5.4%) and the group aged 45 and older (0%). This finding highlights the importance of social validation and digital influence on Gen Z consumer behavior in the luxury market, suggesting that their purchasing decisions are heavily influenced by cultural trends and the perceptions of their social networks. The fact that none of all the participants cited 'My admiration and loyalty to the brand' as a motive for buying luxury goods shows that brand heritage has lost influence in favor of quality, exclusivity, and social relevance. This signals a crucial challenge for luxury brands as they can no longer rely solely on their heritage or reputation to maintain or build on their success. Previous achievements and established brand images now need to be reinforced with contemporary values and tangible offerings that reflect changing consumer priorities.

When asked about factors that might lead to a last-minute decision not to purchase a luxury product, 57.7% of Gen Z respondents cited 'high price point and affordability concerns' as the most significant deterrent. Other notable concerns for Gen Z included 'ethical concerns, such as sustainability or labor practices', selected by 42.9%, what highlights the growing importance of sustainability as a decisive factor in their purchasing decisions. Additionally, concerns over quality and authenticity ranked high at 38.6%. These findings underscore that, alongside cost, values-based and quality-related issues also play a crucial role in Gen Z's decision-making

Group Part

process. Less frequently mentioned is the fear that the product may not meet expectations (36%) suggesting that respondents generally trust luxury brands to deliver on their promises of quality and experience, highlighting the strength of luxury brands reputations. The fact that less than 17.5% of Gen Z respondents see luxury as ‘unnecessary or too extravagant’ underlines the continued appeal and desire to own luxury goods among this generation. This is also an indication that practical and ethical considerations trump concerns about the intrinsic value of luxury. Only 1.1% of Gen Z respondents chose ‘none of these’, showing that most participants identified at least one significant barrier to their purchase.

When examining what drives brand loyalty among luxury consumers, ‘high quality and excellent craftsmanship’ emerged as the most important factor for Gen Z, with 38.6% selecting this option. This finding is consistent with the other generations analyzed. For Gen Z, ‘more affordable and accessible products and services’ ranked second, with 21.2%. This suggests that, while quality remains the most critical factor, affordability and therefore the masstige strategy is becoming an increasingly important factor in fostering long-term brand loyalty among this demographic, who place a high value on both affordability and accessibility. Other factors were less significant for Gen Z. ‘Sustainable and ethical practices’ and ‘personalized and innovative online and in-store experiences’ were each selected by 16.9%, indicating a moderate influence on loyalty. The brand’s history and image, often emphasized in luxury marketing, had the least impact, with only 6.3% of Gen Z respondents considering it the strongest driver of loyalty. In contrast, 56.9% of respondents aged 45 and older selected ‘the brand history and image’ as the strongest positive influence on their loyalty when buying luxury goods.

6. Common Discussion

Group Part

Based on findings from the standardized 30-question survey, this study contributes to a deeper understanding of Gen Z's luxury consumer behavior. The results not only validate existing theories, but also explore the complex interplay between three key trends for Gen Z: sustainability, masstige and digital transformation. The survey results clearly address the research question by showing how these three trends influence consumer behavior, especially in shaping Gen Z's purchasing decisions and shifts in brand loyalty within the luxury market.

The survey results are broadly consistent with the literature by D'Arpizio et al. (2023), which identifies personal luxury goods as the largest area of luxury spending, followed by luxury cars and luxury hospitality. Similarly, this study also identifies personal luxury goods as the most dominant segment for Gen Z. However, the order of priority shifts slightly, with luxury hospitality ranking second and luxury cars third. The discrepancy in results may be attributed to the demographic composition of the study sample, which consisted primarily of younger, occasional luxury consumers whose spending patterns and priorities may differ from those of more established luxury consumers. Interestingly, the survey found that brand history and image were rarely selected as drivers of brand loyalty by younger respondents, probably due to the single response survey design. However, this finding should not be over-emphasized as brand image remains a well-known factor, often influencing consumers subconsciously rather than being an active decision driver.

For Gen Z, sustainability is identified as an indispensable component of modern luxury and is no longer seen as an option, but as a basic requirement that must be fundamentally compatible with luxury. The survey shows a clear preference for sustainable thinking and thus reflects the general shift towards sustainable luxury described in the literature (Amatulli et al. 2020; Stolz 2022). The results also underline the depiction of Gen Z as digital natives with a strong affinity for online engagement and technology-driven experiences (D'Arpizio et al. 2024; Wang et al. 2022). This suggests that engagement in the areas of sustainability and digitalization is essential for luxury companies to reach this target group.

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Among these trends, Gen Z stands out as particularly influential, with masstige strategies offering companies a valuable opportunity to build long-term appeal within this target group. The responses to the question regarding the most positively influential factors on brand loyalty indicate that the introduction of more affordable products, implemented as part of a masstige strategy, is generally well received and aligns with the existing literature on the subject (Mansoor et al. 2024; Al-Issa et al. 2024). However, this finding should be interpreted in the context of the survey sample, which consists primarily of occasional luxury buyers who would presumably be happy with more favorable prices. In addition, most respondents are members of Gen Z, who often do not yet have the financial means to purchase high-priced luxury items due to factors such as their early career stage, rising cost of living, and the economic uncertainty. These factors highlight the importance of considering both economic constraints and generational characteristics of the target audience when assessing preferences for more accessible luxury offerings (Kapferer & Valette-Florence 2021).

In contrast to more recent articles that tend to emphasize innovative approaches and mention quality just briefly, the findings of this study demonstrate that quality is still perceived as the central characteristic of luxury, with consumers of all generations reluctant to compromise on this fundamental attribute. These findings confirm that quality and craftsmanship remain the cornerstones of luxury for Gen Z, even as trends such as sustainability, masstige and digital transformation gain traction. As digital natives, Gen Z expects brands to deliver digital innovation and seamless online experiences. Sustainability is also a key priority, shaped by their growth in a world marked by climate change, pollution, and plastic waste, as well as their awareness of humanity's impact on the environment. Meanwhile, masstige has emerged as a modern strategy to engage with Gen Z and build early brand loyalty, positioning this generation as a valuable future customer base.

Ignoring these trends can severely affect the future viability of luxury companies, as Gen Z, with their values and demands, will make up a large proportion of the buying public in the

future. However, the degree to which these trends are realized must be in line with the brand identity to ensure authenticity and maintain brand equity. Only by rethinking and keeping their finger on the pulse can luxury companies prepare for the future and successfully meet changing customer needs.

7. Conclusion

7.1. Theoretical and practical contribution

The findings of this thesis provide both theoretical and practical recommendations for companies that want to target Gen Z. Clearly, there is no universal approach that meets all the diverse requirements of this target group. Rather, success requires a flexible and differentiated approach that considers the specific circumstances of the luxury company.

One key realization is that quality and craftsmanship are top priorities for Gen Z. Quality, as the defining characteristic of luxury, continues to be the most important factor across generations. At the same time, however, trends such as sustainability, masstige and digital transformation also increase in significance and must not be neglected to appeal to this younger generation. Sustainability and digitalization have evolved beyond mere trends to become essential pillars for future readiness. For Gen Z, sustainability is a baseline expectation, while seamless digital integration is crucial for meeting the demands of this tech-savvy demographic. Masstige, on the other hand, is a strategic opportunity for the long-term cultivation and retention of the Gen Z customer group. Nevertheless, it is neither a prerequisite for long-term market success nor a universal solution, as its applicability and impact can vary considerably depending on the brand's positioning and core values. Rather, it often exerts a complementary effect that strengthens the brand image within the young group of luxury buyers. Ultimately, the challenge is to combine traditional values such as exclusivity and craftsmanship with the expectations of modern, innovative solutions.

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Achieving a balance between these aspects, in line with brand values, is an opportunity not only to position oneself attractively for Gen Z, but also to remain competitive in the future. Nevertheless, companies must carefully consider which trends they want to incorporate into their strategy and promote externally, as it is not necessary to pursue all three trends in equal measure. The trends are fundamentally independent, but not mutually exclusive, allowing for combinations of varying degrees to achieve synergistic effects.

Sustainability

A luxury company that can act in a comprehensively sustainable manner, for example by using certified organic fabrics and creating transparent supply chains, can clearly demonstrate its commitment to responsible luxury. This can significantly improve the brand's image in the eyes of Gen Z, which values sustainability, and authentic sustainability communication. However, for luxury companies whose production still relies heavily on non-sustainable raw materials or whose processes cannot be implemented sustainably due to the nature of the materials, it can be challenging to put sustainability at the heart of their marketing strategy. This can even be counterproductive, as there is a risk of being perceived as inauthentic and being accused of greenwashing. With a focus on sustainability, digital transformation is a key component to effectively reach target groups. By combining sustainability with aspects of digitalization, companies can enhance the transparency and efficiency of supply chains while showcasing sustainable production practices online. This can also be a way to gain the trust of the target group and stand out from the competition. A complementary masstige strategy does not contradict the idea of sustainability to bind younger customers to the brand at an early stage and build long-term customer loyalty. However, the question arises as to whether this can be realized due to the potentially higher costs of green production.

Masstige

Group Part

Masstige is particularly advantageous for brands that want to appeal to Gen Z, who value quality but often lack the budget or willingness to invest in the higher price points associated with traditional luxury. This strategy is particularly promising in sectors such as fashion, cosmetics, or accessories, where brand loyalty can be strengthened through lower entry-level prices. With a masstige strategy targeting Gen Z, companies can build brand loyalty among younger consumers early on and position themselves to capitalize on their potential for increased future purchasing power. Masstige can be combined particularly well with digital transformation and online offerings, as digital platforms enable broad accessibility and appeal directly to the tech-savvy Gen Z, who are increasingly inclined to engage in online shopping. However, this strategy is less suitable for companies that prioritize exclusivity and rely on customized production in small quantities to maintain their brand prestige. Brands that have traditionally positioned themselves as rare and luxurious and are currently thriving in the luxury market should not adopt the masstige strategy. In this case, offering affordable products would damage the exclusive market position and reduce the target group's trust in the brand.

Masstige and sustainability can also be reconciled if companies design their products in a way that makes them affordable for a broad target group, without neglecting the principles of sustainability, for example by launching limited collections made from recycled materials. At the same time, communicating sustainable production processes can reach a broad customer base that values responsible consumption without emphasizing exclusivity. This could achieve a balance between affordability and environmental sustainability.

Digital Transformation

In today's digital landscape, a simple online shop is no longer enough to stand out. To truly capture attention and preserve the essence of luxury, brands must go beyond traditional e-commerce. Innovations like virtual consultations, 3D visualizations, and exclusive digital events for VIP customers offer a powerful way to deliver an exceptional brand experience.

Group Part

These advanced digital solutions not only meet the demands of a tech-savvy audience but also uphold the exclusivity that defines luxury in an increasingly digital world.

Luxury brands that embrace digital innovation have a unique opportunity to connect with Gen Z. As digital natives, this generation values creative and innovative digital experiences. By positioning themselves as early adopters of emerging technologies, brands can distinguish themselves from competitors and solidify their reputation as forward-thinking leaders in the industry. Trying products in person and receiving personalized advice on the spot are key elements of luxury that remain the most difficult to replicate with today's digital solutions. For luxury manufacturers that rely heavily on sensory or haptic experiences such as tasting, feeling or smelling (e.g. perfume brands), digitalization presents both challenges and opportunities. The challenge of digitizing real-life sensory experiences presents great opportunities for brands that can innovate and solve them effectively, using online shops and cutting-edge visual simulation tools to engage their audiences and maintain a strong digital presence. Additionally, luxury brands must prioritize building trust in digital spaces. Concerns around authenticity, security, and data privacy remain significant for Gen Z. Technologies like blockchain can provide transparency in sourcing and supply chains, reinforcing a brand's ethical and sustainable practices. In addition, creating brand-owned platforms for second-hand sales or exclusive memberships can foster trust and loyalty by ensuring quality and authenticity.

To conclude, this research finds that successfully engaging with Gen Z requires luxury brands to not only balance digital innovation with traditional authenticity but also address the generation's growing emphasis on sustainability and affordability. Gen Z expects luxury brands to integrate ethical practices into their digital strategies, ensuring transparency and trust across both physical and digital channels. At the same time, affordability plays a critical role, as this generation seeks accessible luxury experiences without compromising quality or exclusivity. By embracing hybrid models, luxury brands can position themselves to resonate with Gen Z's values while sustaining their market relevance in the evolving digital era.

7.2. Limitations and future research

While this study has provided valuable and meaningful insights into Gen Z's behavior toward luxury brands in the context of the three trends examined, it is important to recognize that the topic is highly complex and multifaceted. Consumer behavior is inherently diverse, as it reflects the varying preferences, motivations, and values of individuals. As such, the findings of this research are not universally or unrestrictedly applicable but must be interpreted within the specific context of this study. The limitations of this work highlight the need to approach the results with an understanding of their scope and constraints. At the same time, these limitations offer an incentive for future research to explore this topic further, building on the foundation laid here to uncover additional insights. Given the comprehensive and dynamic nature of consumer behavior, certain aspects could not be fully addressed within the time and scope of this work, leaving opportunities for continued exploration in future studies.

One key limitation of this study is the composition of the respondent group. A significant portion of the Gen Z participants identified themselves as 'rare luxury consumers' and 'occasional luxury consumers'. These are individuals who purchase luxury items only for special occasions or selected specific products, meaning they represent the lower end of the spectrum of luxury customers. As a result, the findings of this study are more relevant for brands targeting this segment of occasional or selective luxury buyers, rather than the ultra-high-net-worth individuals at the top of the luxury market. Brands aiming to cater to the top 1% of luxury consumers may find that the preferences and opinions explored in this research do not fully align with their target audience. This composition is partly due to Gen Z's current financial limitations, which naturally restrict their purchasing power compared to older, more affluent consumer groups but also due to the pool of participants. While efforts were made to reach a diverse pool of participants, a large portion of the respondents came from our own network of friends, family, and acquaintances, many of whom are Nova students. As a result, the participant group is relatively homogenous, reflecting a specific demographic that may not fully

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represent the broader diversity of Gen Z luxury consumers. Future research could address this gap by focusing on and exploring other backgrounds and luxury consumer profiles to gain a more comprehensive understanding.

Another significant limitation of this study lies in the scope and time constraints that shaped our research design. Given the vast number of trends that could be explored in the context of luxury consumption, we had to limit our focus to just three key trends: sustainability, masstige and digital transformation. While these were chosen based on their relevance and importance in the existing literature, many other trends also warrant attention. Future research could build on this framework and examine additional trends in similar detail to provide a more comprehensive understanding of the evolving luxury landscape.

Additionally, although the survey and analysis were designed to include both luxury products and services, the study became largely product focused. Many respondents, as revealed through feedback and clarifications, primarily associated their answers with products rather than services. This unintended bias likely reflects the general perception of luxury as being predominantly product-driven, but it also highlights a gap. Future research could focus more explicitly on luxury services, crafting service-oriented survey questions and methodologies to better capture the role of services in shaping consumer attitudes and behaviors within the luxury market.

The survey design itself presents another limitation. To maintain participant engagement and ensure a high completion rate, we deliberately kept the number of questions limited, with only seven to nine questions per trend. While this approach allowed us to cover a broad range of topics efficiently, it inevitably restricted the depth with which we could explore each trend. Each question aimed to address complex, multifaceted issues, but due to the constraints, it is possible that not all nuances of these topics were fully captured. Additionally, it is unclear

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whether all respondents interpreted the questions as intended, meaning that the results may reflect general tendencies rather than definitive insights.

By exploring additional trends, focusing more on luxury services, and designing more extensive survey instruments, future studies can build upon the foundation laid here and further refine the understanding of luxury consumption across generations.

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Appendix

Appendix 1: Survey questions General

Which luxury sectors are you most interested in?						
multiple choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Personal luxury goods	165	63	21	87,3%	85,1%
Luxury cars	40	44	17	21,2%	59,5%	33,3%
Luxury hospitality	110	46	18	58,2%	62,2%	35,3%
Fine wines and spirits	14	14	16	7,4%	18,9%	31,4%
High end furniture and housewares	18	16	15	9,5%	21,6%	29,4%
Fine art	8	5	10	4,2%	6,8%	19,6%
Private yachts and jets	3	1	0	1,6%	1,4%	0,0%
Luxury cruises	4	0	5	2,1%	0,0%	9,8%
None of these	8	4	4	4,2%	5,4%	7,8%
Total						

What kind of luxury consumer are you?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	My life essentially revolves around luxury items (e.g. owning a helicopter, private boat, extremely rare art)	0	1	0	0,0%	1,4%
I regularly purchase luxury items (e.g. luxury cars, designer clothes, jewellery, very luxurious holidays)	4	2	1	2,1%	2,7%	2,0%
I frequently purchase luxury items (e.g. always the latest iPhone, some luxury fashion items, a luxury holiday once a year)	6	7	12	3,2%	9,5%	23,5%
I occasionally purchase luxury items (e.g. owning a designer handbag, occasionally go on luxury holidays and owning some luxury jewellery)	17	22	12	9,0%	29,7%	23,5%
I rarely purchase luxury items, mostly for special occasions (e.g. gifts for family and friends, luxurious trip for a milestone birthday)	142	29	20	75,1%	39,2%	39,2%
I am interested in luxury items and trends, but I can't afford them	14	9	2	7,4%	12,2%	3,9%
I am not interested in luxury at all	5	4	4	2,6%	5,4%	7,8%
None of these	1	0	0	0,5%	0,0%	0,0%
Total	189	74	51	100,0%	100,0%	100,0%

What would motivate you to purchase luxury items?						
multiple choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	The superior quality and craftsmanship	54	47	31	28,6%	63,5%
My admiration and loyalty to the brand	0	0	0	0,0%	0,0%	0,0%
The feeling of uniqueness and standing out	33	55	8	17,5%	74,3%	15,7%
To be part of an exclusive and prestigious	51	47	9	27,0%	63,5%	17,6%
Trends, influencers or peers	136	4	0	72,0%	5,4%	0,0%
None of these	4	1	6	2,1%	1,4%	11,8%
Total						

Imagine you're ready to purchase a luxury product or service. What might cause you to change your mind and decide not to buy it at the last moment?						
multiple choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	High price point and affordability concerns	109	48	17	57,7%	64,9%
Fear that the product or service may not meet my expectations	68	35	10	36,0%	47,3%	19,6%
Lack of trust in the authenticity or quality	73	35	22	38,6%	47,3%	43,1%
Ethical concerns, such as sustainability or labor practices	81	30	6	42,9%	40,5%	11,8%
Perception that luxury is unnecessary or too extravagant	33	23	9	17,5%	31,1%	17,6%
None of these	2	2	18	1,1%	2,7%	35,3%
Total						

Which of the following has the strongest positive impact on your brand loyalty when buying luxury?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	High quality and excellent craftsmanship	73	19	14	38.6%	25.7%
Personalized and innovative online and in-store experiences	32	16	2	16.9%	21.6%	3.9%
More affordable and accessible products and services	40	9	0	21.2%	12.2%	0.0%
Sustainable and ethical practices	32	10	4	16.9%	13.5%	7.8%
The brand's history and image	12	18	29	6.3%	24.3%	56.9%
None of these	0	2	2	0.0%	2.7%	3.9%
Total	189	74	51	100.0%	100.0%	100.0%

Appendix 2: Survey questions Sustainability

How important is sustainability to you when it comes to luxury items?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Very important	88	9	7	46,6%	12,2%
Somewhat important	66	42	21	34,9%	56,8%	41,2%
Neutral	26	16	19	13,8%	21,6%	37,3%
Somewhat unimportant	5	5	2	2,6%	6,8%	3,9%
Very unimportant	4	2	2	2,1%	2,7%	3,9%
Total	189	74	51	100,0%	100,0%	100,0%

How important is sustainability to you when it comes to non-luxury items?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Very important	35	2	6	18,5%	2,7%
Somewhat important	83	22	10	43,9%	29,7%	19,6%
Neutral	64	36	17	33,9%	48,6%	33,3%
Somewhat unimportant	4	12	18	2,1%	16,2%	35,3%
Very unimportant	3	2	0	1,6%	2,7%	0,0%
Total	189	74	51	100,0%	100,0%	100,0%

To what extent do you agree that luxury and sustainability are compatible concepts?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Strongly agree	72	13	3	38,1%	17,6%
Somewhat agree	102	38	17	54,0%	51,4%	33,3%
Neutral	10	22	22	5,3%	29,7%	43,1%
Somewhat disagree	4	1	5	2,1%	1,4%	9,8%
Strongly disagree	1	0	4	0,5%	0,0%	7,8%
Total	189	74	51	100,0%	100,0%	100,0%

If a luxury brand implements sustainable practices and clearly communicates them, how would that impact your perception of the brand?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Improve significantly	86	6	12	45,5%	8,1%
Improve slightly	92	37	14	48,7%	50,0%	27,5%
Neutral	9	28	21	4,8%	37,8%	41,2%
Decrease slightly	2	3	4	1,1%	4,1%	7,8%
Decrease significantly	0	0	0	0,0%	0,0%	0,0%
Total	189	74	51	100,0%	100,0%	100,0%

Would you be able to do without certain luxury goods (e.g. leather goods, jewellery, exotic materials) if they were considered to be unsustainable?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Very likely	89	8	8	47,1%	10,8%
Somewhat likely	82	31	7	43,4%	41,9%	13,7%
Neutral	11	28	8	5,8%	37,8%	15,7%
Somewhat unlikely	6	7	25	3,2%	9,5%	49,0%
Very unlikely	1	0	3	0,5%	0,0%	5,9%
Total	189	74	51	100,0%	100,0%	100,0%

What aspects of sustainability are most important to you in the luxury industry?						
multiple choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Use of environmentally friendly materials	98	43	24	51,9%	58,1%
Recycling and reuse of resources	151	42	38	79,9%	56,8%	74,5%
Reduction of CO ₂ emissions	84	43	18	44,4%	58,1%	35,3%
Transparency across the supply chain	66	24	9	34,9%	32,4%	17,6%
None of these	2	11	9	1,1%	14,9%	17,6%

For sustainable products or services from luxury brands, I am willing to:						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Pay a significantly higher price	9	3	2	4,8%	4,1%
Pay a slightly higher price	55	33	19	29,1%	44,6%	37,3%
Pay the same price	115	38	23	60,8%	51,4%	45,1%
None of these	10	0	7	5,3%	0,0%	13,7%
Total	189	74	51	100,0%	100,0%	100,0%

Would you purchase second-hand luxury products through a brand's own platform?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Yes, but only if it's through the brand's own platform	107	24	10	56,6%	32,4%
Yes, but I would also consider purchasing from third-party platforms	55	14	8	29,1%	18,9%	15,7%
No, I would buy second-hand, but not in the luxury segment	11	13	21	5,8%	17,6%	41,2%
No, I prefer new products and would not consider second-hand options	6	22	12	3,2%	29,7%	23,5%
None of these	10	1	0	5,3%	1,4%	0,0%
Total	189	74	51	100,0%	100,0%	100,0%

Which offers from luxury brands would interest you most in the future?						
multiple choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Brand-owned second-hand options	133	37	16	70,4%	50,0%
A company-owned rental platform to borrow a luxury item (leasing concept)	107	55	8	56,6%	74,3%	15,7%
Recycling and repair programs (e.g. free repair, credit when returning an old product)	81	54	21	42,9%	73,0%	41,2%
More digitalisation to reduce CO ₂ emissions (e.g. virtual fashion shows)	62	38	9	32,8%	51,4%	17,6%
None of these	3	2	15	1,6%	2,7%	29,4%

Appendix 3: Survey questions Masstige

How important is it to you that luxury brands launch a new product or service at a more affordable price?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Very important	49	17	8	25,9%	23,0%
Somewhat important	92	31	11	48,7%	41,9%	21,6%
Neutral	23	10	16	12,2%	13,5%	31,4%
Somewhat unimportant	17	9	10	9,0%	12,2%	19,6%
Very unimportant	8	7	6	4,2%	9,5%	11,8%
Total	189	74	51	100,0%	100,0%	100,0%

Which add-on do you find most attractive and appealing for luxury brands to offer?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	More affordable products/services	130	33	9	68,8%	44,6%
Expansion into new markets	41	31	7	21,7%	41,9%	13,7%
Exclusive collections with higher prices	4	4	21	2,1%	5,4%	41,2%
None of these	14	6	14	7,4%	8,1%	27,5%
Total	189	74	51	100,0%	100,0%	100,0%

Are you aware that famous luxury brands have adopted a strategy of launching more affordable products or services to reach a broader audience?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Yes	150	61	15	79,4%	82,4%
No	39	13	36	20,6%	17,6%	70,6%
Total	189	74	51	100,0%	100,0%	100,0%

A popular luxury brand launches a new product or service at a more affordable price. How likely would you be to buy it?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Very likely	56	20	6	29,6%	27,0%
Somewhat likely	95	31	9	50,3%	41,9%	17,6%
Neutral	17	15	21	9,0%	20,3%	41,2%
Somewhat unlikely	12	7	11	6,3%	9,5%	21,6%
Very Unlikely	9	1	4	4,8%	1,4%	7,8%
Total	189	74	51	100,0%	100,0%	100,0%

When luxury brands consider offering more affordable items, which of the following customizations would you find most desirable?						
multiple choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Collaborations with non-luxury brands	110	45	2	58,2%	60,8%
Smaller sizes	17	35	12	9,0%	47,3%	23,5%
More affordable materials	26	25	1	13,8%	33,8%	2,0%
New, more affordable product/service categories	114	59	12	60,3%	79,7%	23,5%
Simplified versions	88	28	9	46,6%	37,8%	17,6%
None of these	11	2	28	5,8%	2,7%	54,9%
Total						

Buying an item from a luxury brand (regardless of the specific product, price or quality) makes me feel proud and boosts my self-confidence?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Strongly Agree	57	22	2	30,2%	29,7%
Agree	89	40	9	47,1%	54,1%	17,6%
Neutral	22	6	20	11,6%	8,1%	39,2%
Disagree	14	5	16	7,4%	6,8%	31,4%
Strongly Disagree	7	1	4	3,7%	1,4%	7,8%
Total	189	74	51	100,0%	100,0%	100,0%

Which of the following characteristics would you be least willing to accept for a lower price in luxury brands?						
multiple choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	If it results in lower product or service quality	127	64	34	67,2%	86,5%
If too many people own the same item, reducing its exclusivity	116	48	28	61,4%	64,9%	54,9%
If it lowers premium elements like unique packaging or exclusive experiences	6	22	13	3,2%	29,7%	25,5%
If the brand collaborates with non-luxury or mass-market brands	32	3	24	16,9%	4,1%	47,1%
If non-exclusive distribution channels were used (e.g. mass-market retailers)	35	9	21	18,5%	12,2%	41,2%
None of these	28	0	2	14,8%	0,0%	3,9%
Total						

Appendix 4: Survey questions digital transformation

How important are digital tools and technologies in your decision to purchase luxury items?						
single choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Very important	75	9	4	39,7%	12,2%
Somewhat important	86	34	8	45,5%	45,9%	15,7%
Neutral	15	26	15	7,9%	35,1%	29,4%
Somewhat unimportant	8	4	12	4,2%	5,4%	23,5%
Very unimportant	5	1	12	2,6%	1,4%	23,5%
Total	189	74	51	100,0%	100,0%	100,0%

What are the main reasons you hesitate to trust online shopping for luxury items?						
multiple choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Negative past experiences or reviews from others	36	15	8	19,0%	20,3%
Concerns about product authenticity	59	54	20	31,2%	73,0%	39,2%
Lack of trust in website security or data protection	46	44	21	24,3%	59,5%	41,2%
Inability to physically inspect products before purchase	142	47	30	75,1%	63,5%	58,8%
Concerns about poor customer service or returns	36	20	13	19,0%	27,0%	25,5%
None of these	8	2	14	0,0%	0,0%	0,0%

Which online presence of a luxury brand influences your purchasing decision?						
multiple choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Brand's official website	83	53	33	43,9%	71,6%
Online reviews, blogs or influencer	139	30	9	73,5%	40,5%	17,6%
Online advertisement (e.g. on Social Media, Google advertisement)	95	54	4	50,3%	73,0%	7,8%
Third-party retailer (e.g. Farfetch, Misterpex)	26	22	5	13,8%	29,7%	9,8%
Email newsletters or brand communications	5	47	23	2,6%	63,5%	45,1%
None of these	5	3	13	2,6%	4,1%	25,5%

Which aspects of social media have the most impact on how you view luxury brands?						
multiple choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Influencer endorsements	117	18	2	61,9%	24,3%
Brand advertisements	83	60	33	43,9%	81,1%	64,7%
Viral social media trends	141	3	3	74,6%	4,1%	5,9%
Collaborations between luxury brands and celebrities	19	66	14	10,1%	89,2%	27,5%
Exclusive social media drops or limited-time offers for followers	10	6	0	5,3%	8,1%	0,0%
None of these	15	2	18	7,9%	2,7%	35,3%

Which of the following digital innovations do you believe would most enhance your experience with luxury brands in the future?						
multiple choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Virtual and augmented reality experiences, allowing you to explore luxury items in real time, at real size and in interactive, immersive environments	122	56	19	64,6%	75,7%
Exclusive digital memberships providing (early) access to events, limited collections or special offers reserved for members	69	25	10	36,5%	33,8%	19,6%
Sustainability-focused digital innovations that provide transparency (e.g. tracking the ethical sourcing and supply chain of products) through digital tools like blockchain	79	36	10	41,8%	48,6%	19,6%
Biometric payment methods (e.g. fingerprint, facial recognition) for faster and more secure checkout when shopping both online and in-store	25	36	19	13,2%	48,6%	37,3%
None of these	14	8	21	7,4%	10,8%	41,2%

Which of the following virtual or augmented reality experiences with luxury brands would be the most appealing to you?						
multiple choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Exploring virtual showrooms (e.g. view luxury items like exclusive cars and high-end hotels in real-life dimensions)	88	45	18	46,6%	60,8%
Attending virtual events with interactive elements (e.g. fashion shows and brand events)	62	21	10	32,8%	28,4%	19,6%
Using augmented reality to visualize how products would look on me (e.g. clothing, shoes or jewellery)	103	44	20	54,5%	59,5%	39,2%
Participating in personalized experiences (e.g. tailored product recommendations or styling sessions in a virtual environment)	125	20	7	66,1%	27,0%	13,7%
None of these	12	7	25	6,3%	9,5%	49,0%

Looking into the future... which types of digital luxury items would you be most interested in owning?						
multiple choice	responses in absolute numbers			in percentages		
	Gen Z	Millenials	45+	Gen Z	Millenials	45+
	Digital fashion items (e.g. NFTs for virtual clothing or accessories to use in virtual worlds or social media)	53	6	1	28,0%	8,1%
Virtual real estate (e.g. purchasing and owning exclusive spaces or properties in virtual environments like the metaverse)	24	10	10	12,7%	13,5%	19,6%
Exclusive digital memberships (e.g. NFT-based access to private brand communities, virtual events or early access to collections)	78	6	3	41,3%	8,1%	5,9%
Dual ownership (e.g. physical luxury items paired with a digital twin, such as a designer bag with a virtual counterpart)	62	11	2	32,8%	14,9%	3,9%
None of these	89	57	38	47,1%	77,0%	74,5%