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SHAPING THE FUTURE OF LUXURY: Sustainability as influencing trend in Gen Z consumer behavior

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SHAPING THE FUTURE OF LUXURY:

Sustainability

as influencing trend in Gen Z consumer behavior

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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

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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

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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

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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 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

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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

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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 billion 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.

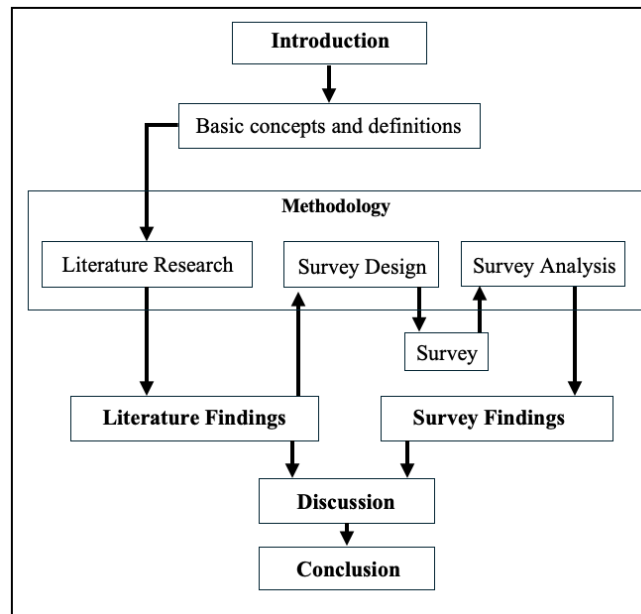


Figure 1: Structure of the work project (own creation)

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

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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, 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.

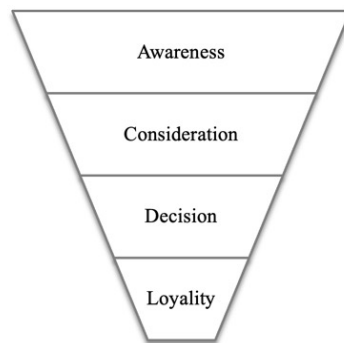


Figure 2: Modified purchase funnel (own creation)

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. 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
- 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.

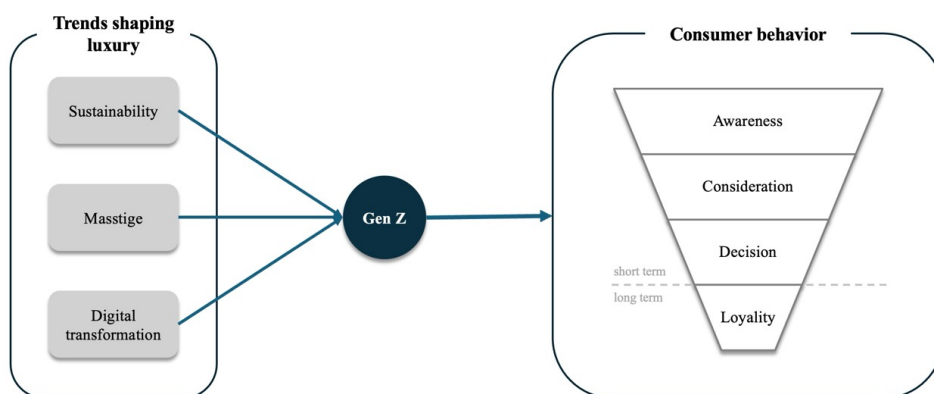


Figure 3: Trends shaping Gen Z's consumer behavior (own creation)

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).

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

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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.

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%

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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.

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: Sustainability as influencing trend in Gen Z consumer behavior

Caroline Etzel

4. Sustainability

4.1. Introduction

Climate change is one of the greatest challenges facing humanity today. The effects are already clearly noticeable: extreme weather events, rising sea levels and resource scarcity. To improve the situation, a fundamental rethink is required. Companies in particular are increasingly responsible for actively minimizing their ecological footprint (Rangel-Pérez et al. 2024). The ‘decade of sustainability’ has also begun in the luxury sector. On average, luxury consumers have a significantly higher ecological footprint than other consumers. A key challenge is that luxury products are often made from rare and valuable raw materials for which there are currently limited alternatives, such as recycling or eliminating these materials. Nevertheless, some companies are setting a good example: LVMH has launched a sustainability fund and the Lürssen Kröger shipyard is building the first superyacht with fuel cell technology (Böhnert et al. 2023).

The challenge now is to create added value for brands that appeals to the growing Gen Z and at the same time has a positive impact on the environment (Balak et al. 2023). This generation rewards brands that are committed to the environment and turns away from brands that are not. Luxury brands are faced with rising expectations from the younger generation and are striving to be leaders in sustainability rather than lagging. Over the next ten years, it will be crucial to translate these promises into concrete action to establish a sustainable and profitable business model in the long-term (D’Arpizio et al. 2021).

Sustainability has already been extensively analyzed in the literature in various sectors. However, the specific relationship between the luxury segment and sustainability, and in turn its impact on Gen Z consumer behavior, has been less explored. In particular, the role of

sustainability aspects in purchasing decisions and brand loyalty in this segment requires detailed investigation. Thus, this study is guided by the research question: *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?*

The first part focuses on the main issues currently discussed in academic research and identifies the current gaps in knowledge. The methodological section provides a detailed description of the study design, which aims to fill the identified gaps in the literature. It then presents the findings using the modified purchase funnel model and discusses the factors that influence purchase intention and perceptions of luxury brands. Finally, the theoretical and practical implications are described, and the limitations and recommendations of the study are presented.

4.2. Literature Review

Compatibility of luxury and sustainability

The question of whether luxury and sustainability are compatible concepts at all is widely discussed in research. Some experts see the two concepts as opposing, as luxury is often associated with abundance and high prices that are far above the actual value. They argue that many luxury brands reject recycled materials and often only operate sustainability measures as greenwashing (López et al. 2023). Another reason is that typical characteristics of luxury goods such as tradition and exclusivity are often difficult to reconcile with environmental protection. Luxury goods symbolize personal status, rarity, and uniqueness - things that are not normally associated with sustainability. Chang et al. (2022) add that the integration of green aspects into luxury products can even provoke negative behavioral responses from consumers.

Other experts see sustainability as the core of luxury, as luxury products are long-lasting, and quality comes before quantity (Osburg et al. 2021). From this perspective, true luxury is dependent on sustainable principles. Luxury brands can have a positive impact if they respect

the planet and people (Chang et al. 2022). In recent literature, the term ‘sustainable luxury’ is increasingly used to refer to the production and marketing of luxury goods according to the principles of sustainability, as well as the responsible consumption of these products and services (Amatulli et al. 2020).

Sustainability as a purchasing factor in luxury

Existing studies suggest that the luxury industry still lags other industries in terms of sustainable commitment (Böhnert et al. 2023). Organisations such as Greenpeace and PETA criticise the luxury industry for excessive consumption and irresponsible use of resources. Examples from the luxury industry include the destruction of unsold fashion, animal suffering, questionable production methods, large amounts of plastic waste and the environmental impact of luxury cruise ships. As a result, luxury brands still face several environmental issues that they need to address (Osburg et al. 2021).

There is disagreement in the literature about how sustainability is perceived by luxury consumers. On one side, Osburg et al. (2021) describe that previous empirical studies have shown that despite consumers’ growing concern for the preservation of the planet, responsible brand behavior remains a secondary selection criterion and that luxury consumers are primarily concerned with intrinsic product quality. Sometimes sustainability elements even seem to affect luxury consumers’ perception of the overall quality of products. For example, luxury consumers may prefer a non-sustainable luxury good over a sustainable product if they believe that the former conveys higher status and prestige. Researchers have also found that the use of recycled materials in luxury goods can negatively influence consumer preferences (Amatulli et al. 2020). One aspect highlighted by several companies is the reduction of plastic packaging and the search for alternative biodegradable packaging. However, customer expectations often pose a problem. High-priced products are expected to be offered in high-priced packaging with a

corresponding look and feel. In practice, it is still difficult to produce these with biodegradable materials (Böhnert et al. 2023).

On the other side, Amatulli et al. (2021) describe that luxury companies could be even more successful if they focus their communication on sustainability and not just on product quality. Consumers respond more positively to messages that emphasize that a luxury product has been produced in a sustainable way, as sustainability is increasingly perceived as a status symbol in the luxury sector (Chang et al. 2022). Consumers buy green products to demonstrate both their affluence and their sense of responsibility towards society. Amatulli et al. (2021) even find that a strategy that focuses on sustainability is even more successful than a strategy that focuses exclusively on excellence. Chang et al. (2022) describe that although consumers take sustainability concerns into account when purchasing luxury products, they are not willing to pay more for them.

Implementation and communication of sustainability

In response to massive pressure from environmental activists, politicians and their customers, the major luxury companies have launched extensive transparency campaigns. Overall, the literature provides evidence that appropriate communication of sustainability activities promotes brand value and consumer acceptance. It is particularly important that sustainability activities fit well with the image of the luxury brand to increase brand value (Kunz et al. 2020).

In the luxury industry, expensive and scarce raw materials pose a challenge, as often the only options are to do without or, in some cases, to recycle. To promote sustainability, many luxury companies are therefore focusing on measures such as the optimization of production processes, digital structures to reduce travel activities, the reduction of paper consumption and the reduction of water and plastic consumption. CO₂ offsetting is also becoming increasingly important (Rangel-Pérez et al. 2024). Other sustainable practices such as the recycling or

upcycling of products are also increasingly finding their way into the luxury industry. This trend is now being followed by major brands such as Gucci and Versace, which are using ocean plastic as a raw material in their production. However, these campaigns are extremely rare and primarily aimed at positive media impact (Böhnert et al. 2022).

At the same time, the emergence of platforms that offer luxury goods second-hand or for rent has put luxury brands under pressure in their strategy. Ralph Lauren has responded with a rental model that allows members to build their wardrobe from the latest collections and return the items after use (Christodoulides et al. 2021). This has been criticized in the literature, which argues that in an industry based on exclusivity and rarity, new forms of buying second-hand or renting luxury goods can threaten traditional craftsmanship. However, Christodoulides et al. (2021) describe that for many consumers, ownership is no longer a prerequisite for experiencing the value of luxury. Second-hand luxury is increasingly seen as a form of sustainable consumption. This indicates a shift in the luxury industry away from traditional notions of exclusivity towards concepts of sustainability and conscious consumption. Stolz (2022) describes that consumers are nevertheless critical of luxury second-hand goods. This is because of concerns about possible counterfeiting, damaged products, hygiene issues, and lack of warranty.

4.3. Research Gap

Although the importance of sustainability and its implementation by industry pioneers has been extensively documented in the literature, little research has been conducted into consumer preferences for sustainable luxury products. In particular, there is a lack of studies investigating the link between sustainability and luxury and which sustainable practices most influence the consumer behavior of Gen Z. This research seeks to address this gap by exploring Gen Z's

sustainability preferences and the impact on purchasing behavior, with the aim of identifying the ways in which luxury sustainability is most influential in shaping their luxury consumption.

4.4. Methodology

The basic procedure is to first test the hypothesis H_{1a} : *Sustainability is important to Gen Z when it comes to luxury items*. This is tested using the question from the questionnaire ‘How important is sustainability to you when it comes to luxury items?’. The aim of the questionnaire is to gain a comprehensive understanding of how Gen Z perceives sustainability in the luxury segment. The objective is to analyze which sustainable practices are particularly valued by this target group and to identify key areas where their expectations may differ from those of other generations. The findings will be used to develop targeted recommendations for companies.

A central focus of the analysis is to determine whether Gen Z perceives sustainability as an essential component of luxury or as a contradiction, addressing the controversial question in the literature about the compatibility of luxury and sustainability. In addition, the importance of sustainability for Gen Z in the luxury segment compared to other areas of consumption will be examined. This analysis makes it possible to determine whether the importance attached to sustainability in the luxury segment differs from that attached to everyday goods. In this way, important differences and priorities in consumer behavior can be identified, which companies can consider when developing sustainability strategies.

Moreover, it is to determine whether sustainability practices and their communication influence brand perception. The research explores how Gen Z perceives sustainability and whether it is seen as something special or a basic expectation for luxury companies to deliver. It also explores how concerns about greenwashing affect trust in a brand. To gain deeper insights, the study examines whether Gen Z is willing to pay a premium for sustainable luxury goods. If they are,

it suggests that sustainable practices are still seen as something special that people are willing to pay more for. Conversely, if they are not, it suggests that sustainability practices are seen as a standard expectation that should be expected at no extra cost.

It is also important to analyze the extent to which Gen Z is prepared to compromise on their luxury preferences if these conflict with their sustainability values. This includes, for example, the willingness to forego non-sustainable materials such as leather or exotic raw materials. The results should shed light on the extent to which sustainability values are anchored in this consumer group, even if this means foregoing traditional luxury materials. This will lead to a better understanding of the extent to which sustainable beliefs influence the purchasing decisions of Gen Z and what role sustainability could play in the luxury industry in the long-term. That is, to what extent luxury brands can adapt their resources and production processes to sustainable practices. Based on this, it will be analyzed what specific sustainability practices are interesting for companies, as they are particularly popular or desired by Gen Z, e.g. the use of environmentally friendly materials or the recycling and reuse of resources.

Finally, it is important to determine which sustainable options a company can offer that will be accepted by Gen Z in the future. The aim is to develop a better understanding of what additional sustainability initiatives a brand can implement to appeal to Gen Z. The study examines whether second-hand options, rental models, recycling, and repair programs, as well as increased digitization, are promising approaches for the future and which of these gain the greatest acceptance among Gen Z. In particular, second-hand options are described in the literature as an emerging trend and are therefore explored in greater detail in the study. The goal is to determine whether Gen Z has a strong interest in second-hand luxury goods and, if so, under what conditions respondents would be willing to purchase used luxury items. The specific questions and answers of the survey can be found in Appendix 2.

4.5. Findings

The following section outlines the results of the nine survey questions on the topic sustainability. The findings are summarized using a modified purchase funnel.

The null hypothesis H_{0a} , which states that sustainability is not important to Gen Z when it comes to luxury items, can be rejected. A Pearson chi-square test for normal distribution was conducted to test the hypothesis H_{1a} , that sustainability is important to Gen Z in the context of luxury items. The p-value of < 0.001 is smaller than the specified alpha level of 0.05, indicating that the survey is not normally distributed. There is a clear shift in the responses toward 'important', supporting the conclusion that sustainability is indeed a significant factor for Gen Z regarding luxury. In order to better understand the influence of sustainability on the purchasing intentions of Gen Z, the other questions are analyzed as part of the modified purchase funnel (Figure 2).

Awareness

Gen Z shows a high level of agreement with the idea that luxury and sustainability are compatible. More than a third (38.1%) 'strongly agree' with this statement, with a further 54% 'agreeing somewhat'. This shows that most of this generation sees a positive connection between sustainability and luxury. Only a very small proportion of Gen Z are sceptical: 2.1% 'somewhat disagree' and only 0.5% 'strongly disagree'. The 'neutral' stance of 5.3% is also low, which indicates that this generation has a clear opinion on the compatibility of luxury and sustainability and rates this predominantly positively.

On this basis, it is not surprising that sustainability is important to Gen Z. The data even shows that sustainability is more important to Gen Z when it comes to luxury goods than non-luxury goods. Almost half of Gen Z (46.6%) say sustainability is 'very important' to them when it comes to luxury goods, while a further 34.9% think it is 'somewhat important'. In total, 81.5%

of Gen Z consider sustainability relevant to luxury items. The figure is lower for non-luxury goods: only 18.5% of Gen Z consider sustainability to be ‘very important’, while 43.9% consider it to be ‘somewhat important’. The overall level of importance is therefore 62.4%. While 33.9% of respondents rate sustainability as ‘neutral’ for non-luxury products, only 13.8% consider it ‘neutral’ for luxury products. It is also worth noting that less than 5% of respondents chose ‘somewhat unimportant’ or ‘very unimportant’ for both, luxury, and non-luxury items. These results show that Gen Z has higher expectations of luxury brands and holds them more accountable for sustainability. The picture is similar for millennials and respondents over the age of 45: these generations also consider sustainability to be more important in the luxury segment than for non-luxury products. However, the proportion of respondents who believe sustainability is important in the luxury segment is lower overall. Among millennials, only 12.2% say sustainability is ‘very important’, while 56.8% say it is ‘somewhat important’. In the 45+ age group, 13.7 % consider sustainability to be ‘very important’ and 41.2% ‘somewhat important’. This illustrates a general demand for sustainability in the luxury sector, with Gen Z placing even greater demands on sustainable practices than other age groups.

Gen Z shows a clear preference for the promotion of sustainable practices among luxury brands. Almost half (45.5%) state that their opinion of the brand would ‘improve significantly’ if such measures were implemented and communicated well. A further 48.7% see their opinion ‘improving slightly’. This shows that sustainable strategies meet with great approval among the younger target group. Only a small proportion are ‘neutral’ (4.8%) and almost none (1.1%) see a negative influence. This highlights that the authentic promotion of sustainability can significantly enhance a brand’s image, rather than being seen as greenwashing.

Consideration

Gen Z shows a strong willingness to give up luxury goods such as leather goods, jewelry, or exotic materials if they are considered unsustainable. Almost half of this generation (47.1%)

state that they would be ‘very likely’ to do without, while a further 43.4% consider it ‘somewhat likely’. This shows that sustainability is a high priority for Gen Z. In comparison, Millennials are much more cautious: Only 10.8% think it is ‘very likely’ and 41.9% say it is ‘somewhat likely’ that they will not use such materials. The group older than 45 years is the least willing to give up such goods. Almost half (49%) state that it is ‘somewhat unlikely’ that they will do without, and a further 5.9% consider it ‘very unlikely’. This clearly shows that Gen Z is by far the most willing to change their consumption habits in favor of sustainability.

79.9% of Gen Z respondents see recycling and the reuse of resources as an important factor for sustainability in the luxury industry. Moreover, the use of environmentally friendly materials is important for 51.9 % of respondents. For 44.4%, the reduction of CO₂ emissions also plays a key role, while 34.9% cite transparency along the supply chain as an important aspect. Only 1.1% of Gen Z state that ‘none of these’ aspects are relevant to them. This clearly shows that there are many ways to be more sustainable that will resonate with Gen Z.

Decision

A clear sentiment for Gen Z emerges when looking at the price of more sustainable products: Gen Z is not willing to pay a significantly higher price for sustainable practices. 60.8% of Gen Z respondents would pay the same price for sustainable products or services from luxury brands, while 29.1% of Gen Z respondents are ultimately willing to pay a slightly higher price, showing that a significant proportion of this generation also favors sustainability at no or little extra cost. Only 4.8% say they would be willing to pay a significantly higher price, indicating that a large price increase is less acceptable.

Moreover, 56.6% of Gen Z state that they would buy second-hand luxury products, but only if they are offered via the brand’s own platform. A further 29.1% are even more open and would also purchase via third-party platforms. Overall, there is a high level of acceptance for second-

hand luxury products within this generation. Only 5.8% of Gen Z would buy second-hand products, but not in the luxury segment, and only 3.2% would not consider second-hand options at all. 5.3 % of respondents stated that ‘none of these’ options applied to them. In comparison, second-hand purchases are significantly less attractive for the older generations. Of the millennials, still 32.4% would buy second-hand luxury offered via a brand’s own platform and 18.9% consider purchasing from third-party platforms. At the same time, 17.6% state that they would buy second-hand products, but not in the luxury segment, and as many as 29.7% state that they prefer new products. In the 45+ age group, the reluctance is even greater: only 19.6% would buy second-hand if offered through the brand’s own platform and 15.7% would consider buying from third-party platforms. However, the majority would not buy used luxury products. While 41.2% say they would not buy second-hand in the luxury segment, a further 23.5% would not even consider second-hand options in general. The results make it clear that second-hand luxury products, especially when offered directly through the brand, are attractive to the majority of Gen Z.

Loyalty

When asked what services Gen Z would like to see in the future, 70.4% of them say they would be most interested in second-hand options directly from the brand, confirming once again the high demand for sustainable purchasing models in the luxury sector. Moreover, 56.6% of Gen Z are interested in a company owned rental platform so that they can own products for a limited period. Recycling and repair programs, such as free repairs or credit for returning an old product, are only popular with 42.9% of Gen Z. In addition, digitization measures to reduce CO₂ emissions are seen as interesting by 32.8% of respondents. This result could be related to the fact that respondents do not primarily think of greater sustainability when it comes to digitalization measures. Only 1.6% of respondents stated that ‘none of these’ options were of interest to them. The results make it clear that Gen Z is particularly interested in innovative and

sustainable concepts such as rental platforms and second-hand options, while recycling and digitalization also receive attention but are less prioritized.

4.6. Discussion

The results of the survey clearly show that sustainability plays a central role for Gen Z in the luxury segment. The distribution of responses shows that this generation is particularly demanding when it comes to sustainability in luxury products, with nearly 80% of Gen Z indicating that sustainability is important to them. Regarding the conflict discussed in the literature as to whether luxury and sustainability are compatible, Gen Z takes a clear position in favor of compatibility. For this generation, it is self-evident that luxury products must be designed sustainably, which impressively confirms the relevance of the term ‘sustainable luxury’ in current research (Amatulli et al. 2020).

In addition, Gen Z wants to see not only sustainable manufacturing processes, but also more comprehensive approaches that consider a product’s entire lifecycle. Recycling and reusing resources are key concerns for this generation, with almost 80% agreeing. The results also show that Gen Z is willing to forgo non-sustainable materials, whether in the products themselves or in premium packaging. This shows that for this generation, the elimination of certain materials is not an obstacle, but rather part of a conscious consumer behavior. This approach shows a paradigm shift in the luxury industry, which is also described in the literature: away from pure exclusivity towards conscious and sustainable luxury goods (Stolz 2022). As a result, Gen Z is looking to the luxury industry for innovative approaches to sustainable design.

The literature discusses how the promotion of sustainability affects customer opinion. The survey results are also consistent with the literature, which indicates that clear communication of sustainability activities can enhance brand value and increase consumer acceptance (Kunz et al. 2020) and that concerns about greenwashing are rarely expressed by Gen Z. Gen Z’s strong

preference for sustainable practices and their promotion in the luxury sector in the survey underlines these findings.

Another key finding of the study is the acceptance of alternative purchasing models such as second-hand offers via brand-owned platforms or leasing options. These approaches are seen as legitimate alternatives by Gen Z and reflect a changed understanding of luxury. As Stolz (2022) describes, the luxury industry is increasingly moving away from traditional ideas such as exclusivity towards concepts such as sustainability and conscious consumption. Gen Z is not only demanding sustainable products, but also innovative business models that integrate sustainability into the entire purchasing process. The survey also confirms the literature's assumption that luxury products are all about authenticity and quality, which is why many respondents would prefer a company owned platform for second-hand or leasing options to avoid concerns about damaged products and lack of warranty that they fear with third party suppliers. Although recycling and repair programs are considered important for Gen Z, the willingness to use repair programs from luxury brands is not quite as high in the survey. However, this result may also be due to other factors. One possible reason could be that many luxury consumers do not necessarily see the need for repair or refurbishment, as they expect luxury products to have a long life and therefore do not assume that they will need this service. To summarize, the study shows that sustainability plays a decisive role for Gen Z in the luxury segment. They no longer see sustainability as an add-on, but as a basic requirement for luxury brands. This is also reflected in the finding, which is consistent with the literature, that Gen Z is no longer willing to pay significantly more for sustainable products, which increases the pressure on luxury brands to develop innovative and affordable solutions. Sustainability is therefore not only becoming an obligation, but also a strategic opportunity to fulfil the expectations of young consumers and position themselves in the market in the long-term.

4.7. Theoretical and practical implications

The results of the study show that sustainability plays a central role for Gen Z in the luxury segment. This provides clear recommendations for action for companies, both on a theoretical and practical level. Luxury brands should no longer view sustainability as an additional measure but as an integral part of their business model. This is underlined by the finding that Gen Z is not willing to pay significantly higher prices for sustainable products. This increases the pressure on luxury brands to develop innovative and cost-effective solutions, while also highlighting the importance of sustainability to Gen Z. At the same time, it shows that this generation is accommodating luxury brands by being willing to forgo non-sustainable luxury aspects. Companies therefore do have the opportunity to implement sustainability on many levels. This can take place along the entire value chain - from resource-conserving production to recycling and reuse. Creative and innovative solutions are particularly in demand, as this generation appreciates new ideas for greater sustainability. Gen Z values sustainable materials and sees avoiding non-sustainable alternatives as a conscious choice, not a restriction. Companies can fulfil these expectations by using environmentally friendly materials, for example, and focusing on simplicity and ecological responsibility when it comes to packaging. Moreover, communication is an important aspect for Gen Z: This generation appreciates it when companies integrate their sustainable practices into their brand identity. Companies should ensure transparent and authentic communication regarding their sustainability efforts. Trust can be built through methods such as storytelling, certifications, or insights into production processes. Furthermore, the results show that Gen Z welcomes alternative business models such as second-hand or leasing options. Luxury brands should take this opportunity to offer their own platforms that guarantee authenticity and address concerns about counterfeiting, damaged products, or hygiene issues. Focusing on such models can not only attract new audiences, but also strengthen relationships with existing customers and promote perceptions of sustainability.

Overall, sustainability is not only becoming an obligation, but also offers companies the strategic opportunity to position themselves as a responsible brand in the long-term. With a consistent focus on sustainability, luxury brands can strengthen their competitiveness, win the loyalty of young consumers and develop a future-proof business strategy.

4.8. Limitations and future research

This study has some limitations that need to be considered. The analysis was limited by the small number of questions. As a result, it was not possible to analyse all aspects of sustainability in detail. The study focused mainly on the environmental aspects of sustainability, in particular understanding what Gen Z expects from luxury brands in terms of environmental sustainability, and what steps luxury companies can take to be good stewards of Gen Z. Regulatory requirements of institutions were not addressed, as these requirements are binding for the companies and cannot be influenced by the companies. Due to its limited scope, other important dimensions such as social responsibility or economic sustainability were largely not considered. Future research should therefore analyse how luxury companies can implement these aspects of sustainability to create a more holistic understanding of sustainable practices in the industry. Broadening the perspective to include these additional dimensions could lead to a deeper understanding of sustainability in the luxury sector and provide further recommendations on how brands can better adapt their strategies to the changing expectations of Gen Z. Although this study focuses on the influence of sustainability on Gen Z, the homogeneity of the respondent group may limit the generalizability of the results to other consumer segments. In addition, the study does not consider regional or cultural differences in sustainability aspects. Further research in different geographical contexts could shed light on how regional factors influence Gen Z's views on sustainability in the luxury sector.

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,

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values-based and quality-related issues also play a crucial role in Gen Z's decision-making 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

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

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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.

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

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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.

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

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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

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. 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.

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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

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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 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

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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 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%	41,2%
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%	0,0%
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%	60,8%
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 Trends, influencers or peers	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%	33,3%
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, MisterSpex)	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%