

Ethics and luxury product consumption



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Public awareness of the human, ecological and environmental cost of consumption has increased over the past few decades (Fraj and Martinez 2007). It has been closely accompanied by the idea that consumers can improve matters through ‘responsible’ consumer choices. While forms of what might be called ethical consumption have a long history (for example the Co-operative movement), the explicit marketing, accessibility and popularity of ‘ethical’ products is unprecedented (Connolly and Shaw 2006; Low and Davenport 2007; Mayo 2005). Magazines, websites, campaigns and pressure groups dedicated to ethical consumption proliferate; as do labelling initiatives, supermarket’s own ‘ethical’ brands and opportunities to donate to charity as you spend. For some commentators the ability to ‘make a difference’ through consumption is steadily shaping up as a ‘new’ activism (Bryant and Goodman 2004: 344); with others arguing that ‘good’ consumption is becoming the means through which individuals frame otherwise insurmountable problems and participate in solutions (Micheletti 2003). Ethical consumption is a growth market. To take Fairtrade as an example, in the UK, sales of products carrying the Fairtrade label topped £712.6 m in 2008; a substantial year-on-year increase from £16.7m in 1998. Globally, Fairtrade certified products surpassed £1.6 billion in 2007, a 47 per cent increase on the previous year (Fairtrade Foundation 2009). This growth has led to a frenzy of profiling work to identify the ethical consumer often via personality measures and socio-demographics.

Barnett et al’s definition is encouragingly broad: ethical consumption is ‘any practice of consumption in which explicitly registering commitment to distant or absent others is an important dimension of the meaning of activity of the

actors involved' (2005: 29). There are two points that our discussion allows us to unpack; the notion of 'commitment' and the detailing of specific others. Our findings did demonstrate that many consumers did have a commitment to, in their own words, 'being good' and making a difference through their shopping decisions. As existing literature would lead us to expect, this commitment was sometimes confounded by pragmatics of cost, accessibility and at times, product quality.

Ref10

Increased media coverage

See marketing techniques from same paper for more....

Ref41683108

Against a background of dynamic

growth in the global luxury market, it is critical for luxury researchers and marketers

to understand the reasons why consumers buy luxury, what they believe luxury is, and how their perception of luxury value affects their buying behavior.

In this context, a major objective of luxury marketing strategies is to identify and profile consumer segments, such as the cosmopolitan luxury consumers who travel frequently, speak more than one language, shop in international

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department stores, and, as opinion leaders, often influence the purchasing behavior

of other consumers (Anderson & He, 1998).

Incorporating relevant theoretical and empirical findings, this study focuses on understanding what is really meant by “luxury” from the consumer’s perspective.

By developing a multidimensional concept encompassing financial, functional, individual, and social components, it aims to identify different types

of luxury consumers according to the dimensions that influence their perceptions

of value and consumption.

Although routinely used in our everyday life to refer to products, services, or a

certain lifestyle, the term “luxury” elicits no clear understanding. It takes different

forms for many different people and is dependent on the mood and experience

of the consumer. “Luxury is particularly slippery to define,” notes Cornell

(2002, p. 47). “ A strong element of human involvement, very limited supply and

the recognition of value by others are key components.” According to Kapferer

(1997), the word luxury “ defines beauty; it is art applied to functional items.

Like light, luxury is enlightening. Luxury items provide extra pleasure and flatter

all senses at once” (p. 253). Whereas necessities are utilitarian objects

that relieve an unpleasant state of discomfort, luxuries are defined in Webster’s

(2002) as “ non-essential items or services that contribute to luxurious living; an indulgence or convenience beyond the indispensable minimum.”

The psychological benefits are considered the main factor distinguishing luxury from non-luxury products (Nia & Zaichkowsky, 2000).

To explain consumer behavior in relation to luxury brands, apart from interpersonal aspects like snobbery and conspicuousness (Leibenstein, 1950; Mason, 1992), personal aspects such as hedonism and perfectionism (Dubois & Laurent, 1994) and situational conditions (e. g., economic, societal, and political factors) must be considered (Vigneron & Johnson, 1999, 2004).

While the consumption of prestige or status brands involves purchasing a higher-priced product to boost one’s ego (Eastman, Goldsmith, & Flynn, 1999), the consumption of luxury goods involves buying a product that

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represents value to both the individual and significant others. To explain consumer behavior in relation to luxury brands, apart from interpersonal aspects like snobbery and conspicuousness (Leibenstein, 1950; Mason, 1992), personal aspects such as hedonism and perfectionism (Dubois & Laurent, 1994) and situational conditions (e. g., economic, societal, and political factors) must be considered (Vigneron & Johnson, 1999, 2004). While the consumption of prestige or status brands involves purchasing a higher-priced product to boost one's ego (Eastman, Goldsmith, & Flynn, 1999), the consumption of luxury goods involves buying a product that represents value to both the individual and significant others.

A customer's luxury value perception and motives for luxury brand consumption are not simply tied to a set of social factors that include displaying status, success, distinction, and the human desire to impress other people; they also depend on the nature of the financial, functional, and individual utilities of the brand.

Value and value based segmentation

Ref 13

In summary, the models proposed for comparison, with respect to predicting intention to purchase fair trade grocery products, will each incorporate two or more of the following independent variables: (1) attitudes towards the identified behaviour (A); (2) perception that important others think they should behave in a certain way, and desire to comply with these

important others (SN); (3) perceptions of control over the identified behaviour (PBC); (4) perceptions that performing the behaviour is a ethical obligation (EO); and (5) self-identification with ethical issues (SI).

for many attitudes and behaviours important to

consumers today, the gain is not solely one of self-interest, but rather is strongly influenced by ethical/moral considerations. In the context of the present study, for example, while many consumers acting in a rational selfmotivated

manner may select coffee on the basis of factors such as price and

taste, those concerned about ethical issues may be guided by a sense of obligation to others and identification with ethical issues, where concerns such as providing a fair price for fair trade producers take priority. For

these consumers their overall intention to purchase fair trade products has less to do with self-motivated concerns, but rather is driven by a sense of ethical obligation and their identity with the issue. An improved

understanding of this behavioural context is vital as ethical consumerism gains momentum. This new and developing market segment provides a

source of competitive advantage for organisations not wishing to risk losing

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out on growing consumer demand for brands with ethical credentials. Many organisations that responded to the development and growth in environmental consumerism (e. g. The Body Shop) continue to reap the benefits as ethical consumerism gains momentum. Such successes emphasise the important strategic gains that can potentially be achieved by responding to developing consumer demands.

Ref 14

Although many ‘ethical’ product sectors are now well-established with their own labeling certifications that aid consumer decision-making, much of this development has been in the food sector where examples include, fair trade, animal welfare and organics. Consumer concern in other product sectors, notably fashion and clothing where child labour and worker’s rights are pertinent issues, is exerting pressure for similar action. As yet, however, consumer decision-making cues such as labeling, are not readily available in this sector. In this context, therefore, ethically concerned consumers may find themselves confronted by uncertainty in terms of both information available for choice and the consequences of their actions (Shaw & Duff, 2002).

Inconsistency word/action

Using the example of a t-shirt, choice criteria may include the ‘ people’ issue of whether the t-shirt is fairly traded or made under sweatshop conditions. The consumer may consider country of origin and working conditions and wish to purchase a garment produced in their home country. These concerns must also be coupled with traditional choice criteria such as price, quality, convenience and availability. Conflict can arise, for example, between a concern to trade fairly with poorer countries, to promote their economies and a desire to support home-country production. In such a situation the purchase of a traditionally low involvement product such as a t-shirt can require substantially more effort on the part of the consumer in decision-making. It is hardly surprising, therefore, that a ‘ words/deeds inconsistency’ has been reported in terms of a weak relationship between what consumers say, and what they do (Gill et al., 1986). Thus, while an individual may state that they intend to avoid sweatshop labour when purchasing clothing, difficulties at the point of decision-making may result in apparent behavioural inconsistency.

Previous research indicates that consumers prioritise their ethical concerns to a limited number they consider they can ‘ cope’ with when making consumption choices (e. g., Shaw & Clarke, 1999; Newholm, 2000). This makes the selection of a central behavioural focus pertinent in ethical consumption contexts.

The respondents found that verifying information regarding manufacturing policies of large brands, many of whom employ extensive sub – contractors, was both complex and time consuming and as a result rarely carried out. Although respondents intended to act ethically, it was difficult to do so;

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indeed the barriers to ethical behaviour in this context were perceived by the majority of respondents to be unassailable within the High Street.

Four main constraints were identified when attempting to purchase sweatshop free clothing: lack of information regarding the brands or retailers that are sweatshop free; difficulties in accessing ethical retailers; the limited range offered by ethical retailers; and the nature of ethically produced clothing. The most widespread problem was identified as the lack of information relating to the origins of the product and the company's policy regarding sweatshop produced clothing.

Use the ref to build word to action part

Ref 16

Ethical brands find themselves in a position

where they need to distinguish and

differentiate themselves from others while

at the same time ensuring that they meet

the functional requirements of customers

and their ' psychological or representational

needs ' . 16 The importance of

recognising the functional and representational

17, 18 or emotional 19, 20 dimensions

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of brands is central to understanding how they may be positioned within existing markets. Functionality refers to the rational evaluation of brands and their ability to satisfy utilitarian requirements, while the representational or emotional dimensions may be defined as that aspect of the brand that helps consumers express something about themselves.

To build their brands, ethical producers have to carefully identify a balance between the appropriate functional and representational dimensions while ensuring that they can distinguish themselves in a form that will reflect consumers' needs in terms of the motivations for the ethical choices they make. Some

may, however, question the role of brand building for ethical companies at all, at a time when the role and influence of brands on modern society is under scrutiny and anti-branding movements such as Adbusters subvert and protest against many well-known brand names.

For the purpose of this discussion, we suggest that a key identifier of ethical brands is that while socially and environmentally aware, they are firmly placed within the existing framework of consumer markets. Ethical consumers do not deny consumption but rather choose goods that reflect their moral, ethical and social concerns. Ethical consumption is as much part of the active social process of

consumption with its material and symbolic

dimensions as any other form of

consumption and as such we should not

view it in isolation but accept that ethical

attributes will be measured by consumers

among a bundle of other brand values. 10

Ethical consumption should be integrated

into our general understanding of how

consumers consume and as such requires

further exploration and investigation in

terms of what it means to consumers

beyond external and instrumental reasons

such as welfare, pollution and appropriate

disposal.