

Working Title: How High Net Worth Individuals (HNW) Perceive Sustainable Luxury in an Emerging Market

Introduction

HNWs individuals are shifting their spending from luxury to sustainable luxury goods, which is driven by the heterogeneous characteristics of emerging markets (Sharma et al., 2020). A Positive Luxury Butterfly Mark1 is used to signal sustainable luxury consumption choices due to the continuing debate about whether luxury can be sustainable (Athwal et al., 2019; Davies et al., 2012). China is expected to be the main contributor of sustainable luxury by 2025 (McKinsey Report, 2019) yet there is limited research about the values and motivations of Chinese HNW (CHNW), who will substantially contribute to this due to having assets valued between \$1 and 5 millions (Statista, 2019).

Research on sustainable luxury is dominated by the West, so there is a call for future research to help address the culture in the Far East (Athwal et al., 2019) that will predominantly drive this growth. Wang et al.'s (2020) further recommends aligning sustainable luxury marketing with consumption values to reflect cultural differences. This study, therefore, focuses on the consumption values of sustainable luxury, especially their Confucian and face consciousness (FC) values, and their altruistic motives.

Literature review gap & conceptual framework

Confucianism

Confucianism is one of the most enduring and important forces in emerging markets such as China (Wang & Juslin, 2009). Confucian values teach individuals to strive towards benevolence and superiority. The three key values that are most salient to ethical behaviour are – benevolence (*ren*), righteousness (*yi*) and propriety (*li*) (Chen & Moonsmayer, 2020). Most studies focused exclusively on how Confucianism has a positive influence on ethical consumption, particularly values and motivations as compared to other consumers. Other studies have also assessed how Confucian influences luxury consumption through different luxury value perceptions (Jiang & Shan, 2018), building public image of individuals, and establishing guanxi network (Liao & Wang, 2009; Luo, 2009). Less work has focused on a more nuanced understanding of the changing nature of sustainable luxury (Sun et al. 2016).

Face Consciousness (FC)

Leung and Chan (2003, p.1575) suggest that face is "*the respect, pride, and dignity of an individual as a consequence of his/her social achievement*", which complements the essence of sustainable luxury in terms of heritage, prestige and quality (Wang et al., 2020). Bao et al.

(2003), propose that FC can be considered as having a cultural impact on the decision-making of Eastern consumers, which fits well with Confucian values.

Altruism

Altruism explains when individuals help others without expecting anything in return, even at the expense of making a personal sacrifice (Andre et al., 2017). Altruistic motives have been linked to sustainable consumption (e.g. Panda et al., 2020; Yadav & Pathak, 2016). Luxury goods are perceived to be more ethical when they are linked to altruistic motives, such as participating or volunteering in charitable events; donating to charities and/ purchasing luxury goods that have conflict-free production (Leban et al., 2021). We therefore expect altruistic motives to be similar for sustainable luxury goods.

Perceived value of sustainable luxury

Jiang & Shan (2018) developed Wiedmann et al.'s (2009) framework of luxury perceived value to look at functional value, individual value, and social value dimensions for Confucian values of luxury products.

Potential Moderators influence:

Guilt & Temporal Orientation (TO)

The feeling of guilt reflects notions about negative emotions associated with cognitive dissonance (Tangney et al., 1996). It is caused by violations of "the moral order and responsibility" which often lead to a "negative outcome" (Bedford & Hwang, 2003, p. 127). The sense of guilt is an important facet of sustainable luxury consumption because luxury is considered as extravagant, unnecessary (Athwal et al. 2019); and materialistic (Scott et al., 2014). Luxury consumers are more likely to purchase sustainable luxury to alleviate their feelings of guilt (Cohen et al. 2011).

Temporal orientation describes how various aspects of time impact on consumers (Zimbardo & Boyd, 1999) behaviour in relation to their specific goals (Gordon-Wilson & Modi 2015). A present time perspective looks at consumers' immediate purchase outcomes but a future time perspective will motivate consumers to achieve their long-term purchasing goals (Zimbardo & Boyd, 1999). Future-oriented consumers have been found to be more sustainable (e.g. Eastman et al., 2020; Urie & Kilbourne 2011).

Self Determination Theory (SDT)

This research will use SDT as a useful lens to understand the values and motives of HNWs intention to purchase sustainable luxury products. SDT proposes that individuals are motivated to pursue their intrinsic goals to achieve internal satisfaction, pleasure, or personal meanings, whilst they are motivated to pursue their extrinsic life goals for image, fame or money

reasons (Kasser & Ryan, 1996). Research has previously used goal content theory in the luxury remit (e.g. Norris & Williams, 2016; Truong et al., 2010).

Methodology

This research investigates the values and motives of CHNWs with sustainable luxury (see Figure 1 in Appendix). Using convenience sampling, a survey was distributed to 500 CHNWs based on specific selection criteria². We used scales adopted from previous studies: Confucian Value (Jiang & Shan, 2018); FC (Bao et al., 2003); Altruism (Park et al., 2010), Guilt (Chen & Moosmayer, 2020); TO (Shipp et al.'s, 2009); Perceived value of sustainable luxury (Jiang & Shan, 2018) and Purchase intention (Marthur, 1998).

Factor confirmatory was adopted in the early stage as an exploratory test to identify the relationships among the variables; and to investigate the structure of the research model and hypotheses (Pallant, 2007). We used the procedures of moderation effects and applied multiple regressions to test the proposed hypotheses.

Theoretical and managerial implications

Drawing on SDT, we investigate how values (Confucian, FC, altruism) and (intrinsic vs. extrinsic) motives drive the higher perceived value of sustainable luxury consumption in an emerging market. This will extend SDT in the combined sustainable luxury remit and increase our understanding of CHNW in this research area. This will enable luxury marketers to manage the existing gap between luxury and sustainability.

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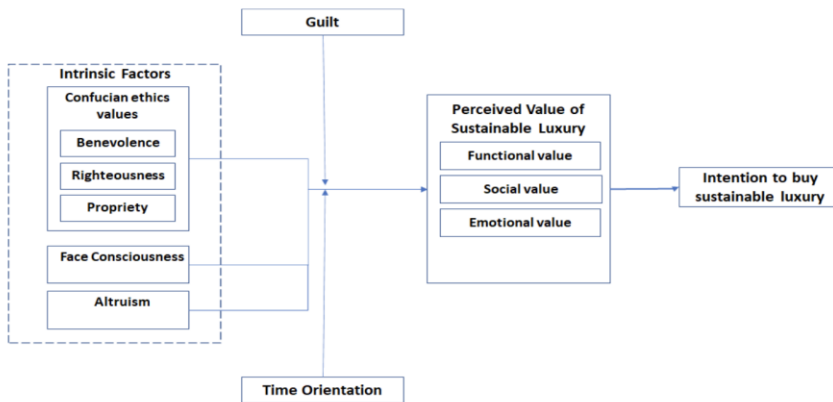
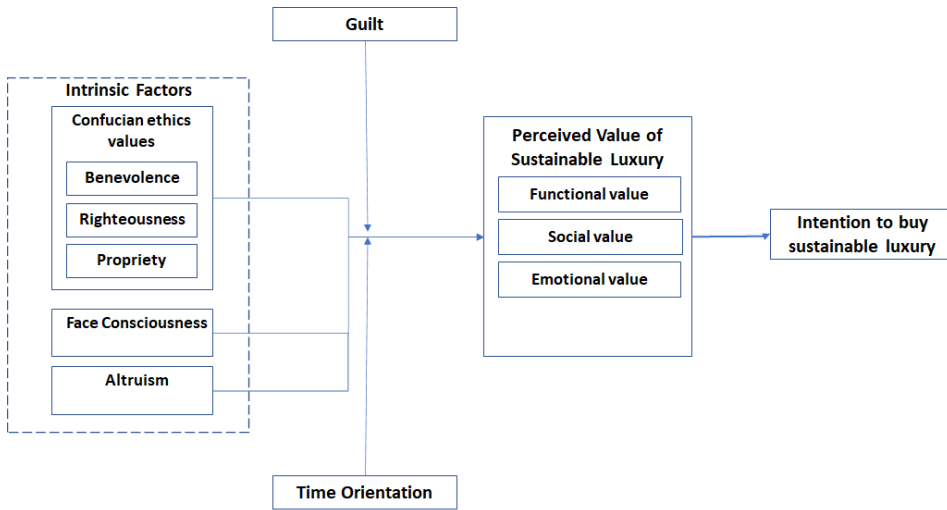
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APPENDIX 1 - Conceptual Model



- H1a : The Confucian ethics values will have a positive effect on perceived value of sustainable luxury
- H1b : The Confucian ethics values will have a positive effect on purchase intention of sustainable luxury
- H2a: The face consciousness will have a positive effect on perceived value of sustainable luxury
- H2b: The face consciousness will have a positive effect on purchase intention of sustainable luxury
- H3a: The altruism will have a positive effect on perceived value of sustainable luxury
- H3b: The altruism will have a positive effect on purchase intention of sustainable luxury
- H4: The greater the perceived value of sustainable luxury, the stronger the intention to buy sustainable luxury
- H5: Moderating effects of Guilt on the relationship between independent variables and perceived value of sustainable luxury
- H6: Moderating effects of Time Orientation on the relationship between independent variables and perceived value of sustainable luxury