

Luxury Product Born as Eco-Friendly Evaluated Higher Compared to Luxury Product
Reborn as Eco-Friendly

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Cite as:

Elia Inbar, Perez Dikla (2021), Luxury Product Born as Eco-Friendly Evaluated Higher Compared to Luxury Product Reborn as Eco-Friendly. *Proceedings of the European Marketing Academy*, 50th, (94484)

Paper from the 50th Annual EMAC Conference, Madrid, May 25-28, 2021



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1. Abstract

Research has provided mixed findings with regard to consumers' attitudes toward luxury products that also possess eco-friendly attributes and shows that adding an eco-friendly attribute can have both positive and negative impact on consumers' attitudes toward the product. This research main goal is to further explore conditions under which adding eco-friendly attributes to a luxury product can contribute to its' overall evaluation. Results indicate that perception of a luxury product that born (vs. reborn) as eco-friendly are higher, and this effect is mediated by eco-friendly perceptions. Specifically, when a luxury product born (vs. reborn) eco-friendly, consumers perceive it as more eco-friendly, which positively influences on attitudes toward the product. This research, for the first time, attempts to explain consumer attitudes toward luxury products and to addresses a decision faced by luxury manufacturers seeking to incorporate environmentally-friendly attributes.

Key words: *Luxury, Eco-friendliness, Born*

Track: *Advertising & Marketing Communications*

2. Introduction

Luxury has been a steady consumption trend for many years, which usually provides superior values for consumers, and constantly presents growth in sales and revenues (Berry, 1994; Wiedmann, Hennigs and Siebels, 2009, Kapferer and Michaut, 2015). Meanwhile, in what seems to be a parallel trend, the eco-friendly form of consumption has arisen, providing consumers with their needs of preserving the environment (Beckham and Voyer, 2014). Like luxury consumption, in recent years, eco-friendly consumption has also presented a significant growth (Jamali and Rasti-Barzoki, 2018, John Elkington and Richard Roberts, 2017). Traditionally, these two consumption trends were separated both in practice and in research. However, many categories of luxury products embrace the eco-friendliness and produce luxury eco-friendly products aimed at satisfying both sets of consumer desires. Therefore, the integrated practice and research that performed in recent years has become relevant and necessary. (Lee, 2017; Zsóka et al., 2013).

Although companies such as Stella McCartney, Patagonia and La Mer provides examples for luxury products that also carry an eco-friendly attribute, research sheds very little light in regard to consumers' attitudes towards such products (Angelis, Adıgüzel, Amatulli, 2017, Achabou and Dekhili 2013). Moreover, the existing limited research that examined attitudes toward luxury and eco-friendly products, provided mixed findings with regards to consumers' perceptions. Some research suggests that adding an eco-friendly attribute to a luxury product might increase its overall evaluation (Steinhart et al. 2013, Carcano, 2013; Beckham and Voyer, 2014). Others suggested a decrease in consumers' evaluation of the luxury product after adding an eco-friendly attribute (Achabou and Dekhili 2013, Kapferer and Michaut-Denizeau, 2015). Recent research also identified conditions in which adding an eco-friendly attribute might increase the luxury product evaluation (Perez et al, 2020, Line, and Hanks 2016).

Beyond what is already known, a manufacturer aims at producing a luxury product with an eco-friendly attribute, might face an important decision that research has failed to explore. Specifically, a manufacturer will have to decide whether to design and produce a completely new luxury eco-friendly product which we label as born eco-friendly, or to redesign an existing luxury product to become also eco-friendly which we label as reborn eco-friendly.

We did find the terms of born and reborn in other areas of research. Specifically, in the "Mass-tige" domain, mass luxury subcategory, (Silverstein and Fiske, 2003). In this domain, manufacturers can either produce born mass-tige or expand a traditional luxury category while creating a mass-tige version for the existing luxury products. Another domain used the terms of born and reborn to global vs. local companies. In this domain, companies can either born as global or establish as national and expended to foreign markets to become global (Knight and Cavusgil, 2004). Interestingly, born Mass-tige and born global companies were preferred.

We also found evidence for the terms born and reborn in a context of products' eco-friendliness. Specifically, Clark et al. 2009 showed that born eco-friendly products carry a higher potential to address environmental concerns, compared to reborn eco-friendly products. The remaining question is whether addressing the environmental needs will also serve the needs of luxury consumers. To the best of our knowledge, no one had examined this question in so far. Therefore the perception of consumers' attitudes toward luxury products that were born eco-friendly compared to their attitudes toward luxury products that were reborn eco-friendly is unknown. Thus, this research main goal is to explore and understand consumers' attitudes toward luxury products that were born eco-friendly and luxury products that were re-born eco-friendly. It also aims to explore the underlying mechanism that might be relevant for possible differences.

Former research suggested that the more central the attribute of the eco-friendly perception, the higher the evaluation toward the luxury eco-friendly product (Perez et al, 2020), those findings shows that consumers evaluate sincere intentions of the manufacturer in regards to eco-friendliness. We suggest that the eco-friendliness of a luxury born eco-friendly product will be perceived higher compared to a luxury product that was reborn eco-friendly because, born eco-friendly might reflect of a real change from launch, shows a 'real eco-friendliness'. We further suggest that higher eco-friendly perception will lead to more positive attitudes toward the product. We claim that by producing a luxury product that was reborn as eco-friendly, the manufacturer signals production of a luxury product with a few adjustments toward preserving the environment. In such cases we expect consumers to have a lower perception of the product as eco-friendly and therefore a lower impact on consumers' perceptions compared to a born eco-friendly luxury product. Formally put, we hypothesize that:

H1: A luxury product that was born eco-friendly will be perceived more favorably by consumers compared with a luxury product that was reborn eco-friendly.

H2: Eco-friendliness perceptions of the product will mediate the effect of the nature of the luxury product (born/reborn eco-friendly) on luxury product evaluations.

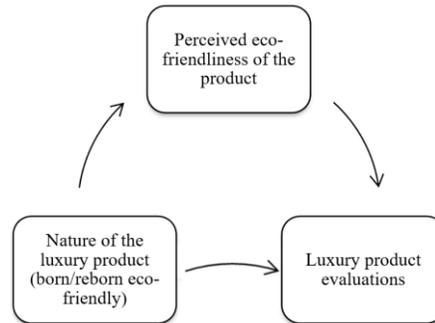


Figure 1: Perceived eco-friendliness of the product mediates the effect of nature of the luxury product on luxury product evaluations.

This research's findings are expected to contribute to literature by extending knowledge on consumers' perceptions of luxury eco-friendly products. This research is also expected to contribute by resolving previous inconsistent findings and integrating the constructs of attributes of nature of the product as born or reborn eco-friendly. Furthermore, insights are expected to provide practitioners an examination of the association between nature of the product as born or reborn eco-friendly and luxury product evaluations.

3. Study 1: Attitudes towards a Luxury Product born or re-born as Eco-Friendly

This study sought to explore participant's attitudes toward a luxury product that was born or re-born eco-friendly.

3.1 Method

One hundred and sixty-seven participants were presented with one of two ads describing a luxury product (born and re-born eco-friendly) in a between-subjects design. Participants were asked to imagine that they had just run into an ad presenting launch (relaunch) of a hat by Giorgio Armani. The product was described as luxury and eco-friendly. Specifically, participants in the

born eco-friendly condition were then told that the new products' production process followed strict eco-friendly procedures from day one. Participants in the reborn eco-friendly condition were then told that the renewed products' production process was adjusted and is now follow strict eco-friendly procedures. Participants were asked to provide their opinions with regard to the product (Giorgio Armani hat). First, participants were asked to answer two questions: the extent to which the product in the ad is perceived as born eco-friendly and the extent to which the product in the ad is perceived as reborn eco-friendly. Then, participants were asked to evaluate their attitudes toward the product (including product attractiveness and how fond they are of the product). Finally, participants were asked to indicate the extent to which they perceived the product in the ad as eco-friendly.

3.2 Results

Our manipulation was successful. Participants in the born eco-friendly condition assigned significantly higher ratings to a born eco-friendly product ($M = 4.39$, $SD = 1.88$) compared to participants in the reborn eco-friendly condition ($M = 3.44$, $SD = 1.81$, $t_{(165)} = 3.342$, $p = .001$). Moreover, participants in the reborn eco-friendly condition assigned marginally significant higher ratings to the extent to which they perceived the product as reborn eco-friendly ($M = 4.69$, $SD = 1.82$) compared to participants in the born eco-friendly condition ($M = 4.20$, $SD = 1.80$; $t_{(165)} = 1.724$, $p = .087$).

Then, in line with our H1, a t- test revealed that participants in the born eco-friendly condition assigned significantly higher attitudes toward the product ($M = 3.75$, $SD = 1.72$) compared to participants in the reborn eco-friendly condition ($M = 3.23$, $SD = 1.50$; $t_{(165)} = 2.091$, $p = .038$, *Cohen's d* = 0.37). Finally, a t- test showed significant differences in eco-friendliness perception of the product between experimental conditions. Specifically, participants in the born eco-friendly condition assigned higher ratings to the extent to which they perceived the product as eco-friendly ($M = 4.54$, $SD = 1.54$) compared to participants in the reborn eco-friendly condition ($M = 4.01$, $SD = 1.64$; $t_{(165)} = 2.127$, $p = .035$). Moreover, the PROCESS bootstrapping method (Model 4, with 5000 resamples; Hayes, 2013) examined whether eco-friendliness perceptions of the product mediated the relationship between the nature of the product as born or reborn and attitudes toward the product. The analysis confirmed the significant mediating role of perceived eco-friendliness of the product, ($b = .2563$, $SE = .13$; 95% CI: .0167 to .5263; $c_{ps} = .163$).

Specifically, the nature of the product as born eco-friendly increased perceived eco-friendliness of the product ($b = .52$, $SE = .25$, 95% CI: .0376 to 1.0121), which, in turn, enhanced positive product attitudes ($b = .49$, $SE = .07$; 95% CI: .3521 to .6244). Moreover, the direct effect of nature of the product as born or reborn eco-friendly on product evaluations was insignificant ($b = .26$, $SE = .22$, 95% CI: -.1731 to .7017), indicating a full mediation effect of perceived sincerity.

This study showed higher evaluation of a luxury born eco-friendly product compared to a luxury product that was reborn eco-friendly. The Study also showed that a luxury product that was born eco-friendly boosts consumers' perceptions of the product as an eco-friendly one. This perception in turn was found to elicit higher evaluations of the product.

4. Study 2: Exploring Research Predictions with A Different Product

This study sought to replicate and expand findings while using a different product (a trolley) and explore participant's attitudes of a luxury product that was born or re-born eco-friendly. As in Study 1, participants were randomly assigned to one of two experimental conditions (born vs. reborn eco-friendly) and were presented with one of two ads created for this research, in a between-subjects design.

4.1 Method

Two hundred and five participants were presented with one of two ads for a luxury product (born or re-born eco-friendly) in a between-subjects design. Participants were presented with the same scenarios as in Study 1 while using a trolley (Giorgio Armani rolling suitcase) and were asked to provide their opinions with regard to the product. The participants were asked to indicate the extent to which they perceived the product in the ad as attractive, as luxury product, as born eco-friendly and as reborn eco-friendly.

4.2 Results

Our manipulation was partially successful and participants in the born eco-friendly condition assigned significantly higher ratings to the extent to which they perceived the product as born eco-friendly ($M = 5.38$, $SD = 1.65$) compared to participants in the reborn eco-friendly condition ($M = 4.83$, $SD = 1.83$, $t_{(203)} = 2.257$, $p = .025$). Moreover, participants in the reborn eco-friendly condition assigned marginally significantly higher ratings to the extent to which they

perceived the product as reborn eco-friendly ($M = 5.57, SD = 1.35$) compared to participants in the born eco-friendly condition ($M = 5.17, SD = 1.66; t_{(203)} = 1.897, p = .059$).

In line with our H1, a t- test revealed that participants in the born eco-friendly condition assigned significantly higher ratings to the extent to which they perceived the product as attractive ($M = 5.66, SD = 1.28$) compared to participants in the reborn eco-friendly condition ($M = 5.30, SD = 1.32; t_{(203)} = 2.005, p = .046, Cohen's d = .28$). Finally, a t- test revealed no significant differences in luxury perception of the product between experimental conditions. Specifically, participants in the born eco-friendly condition assigned similar ratings about how they perceived the product as a luxury one ($M = 5.60, SD = 1.172$) compared to participants in the reborn eco-friendly condition ($M = 5.45, SD = 1.173; t_{(202)} = .902, p = .368$).

This study showed that the perception of a luxury product that born as eco-friendly product are higher compared to luxury product that reborn as eco-friendly while the luxury perceptions of the product remains unaffected between research conditions.

5. Study 3: Exploring Research Predictions and Examining Alternative Explanations

This study replicated and expanded former findings by exploring research predictions and by ruling out insincerity perceptions as a potential alternative explanation. Participants were informed that manufacturers might have different reasons for producing eco-friendly products. Specifically, Participants were informed that such production can be driven by “pure and sincere pro-environmental intentions or by profit expectation while cashing off of consumers' pro-environmental concerns”.

5.1 Method

Two hundred and twenty-six participants were presented with one of two ads for a luxury product (born or reborn eco-friendly) in a between-subjects design. Participants were asked to provide their opinions with regard to the product (Giorgio Armani trolley). First, participants were asked to answer two questions: the extent to which they perceived the product in the ad as born eco-friendly and the extent to which they perceived the product in the ad as reborn eco-friendly.

Then, participants were asked to evaluate their attitudes toward the product (included product attractiveness and how fond they are of the product). Moreover, the participants were asked to indicate the extent to which they perceived the product in the ad as eco-friendly. Finally, participants were asked to indicate the extent they believe that the product reflects Giorgio Armani's insincere eco-friendly intentions.

5.2 Results

A t- test revealed that our manipulation was successful. Participants in the born eco-friendly condition assigned significantly higher ratings to the extent they perceived the product as born eco-friendly ($M = 5.29$, $SD = 1.62$ compared to participants in the reborn eco-friendly condition ($M = 4.34$, $SD = 1.84$, $t_{(224)} = 4.111$, $p = .000$). Moreover, participants in the reborn eco-friendly condition assigned marginally significantly higher ratings to the extent they perceived the product as reborn eco-friendly ($M = 5.55$, $SD = 1.16$) compared to participants in the born eco-friendly condition ($M = 5.13$, $SD = 1.72$; $t_{(224)} = 2.168$, $p = .031$). Then, in line with our H1 and replicating our first two studies, a t- test revealed that participants in the born eco-friendly condition assigned significantly higher attitudes toward the product ($M = 5.47$, $SD = 1.27$) compared to participants in the reborn eco-friendly condition ($M = 5.12$, $SD = 1.32$; $t_{(224)} = 2.031$, $p = .043$, *Cohen's d* = .27). Moreover, a t- test showed significant differences in eco-friendliness perception of the product between experiment conditions. Specifically, participants in the born eco-friendly condition assigned higher ratings to the extent to which they perceived the product as eco-friendly ($M = 5.59$, $SD = 1.24$) compared to participants in the reborn eco-friendly condition ($M = 5.26$, $SD = 1.21$; $t_{(224)} = 2.051$, $p = .041$). Moreover, the PROCESS bootstrapping method (Model 4, with 5000 resamples; Hayes, 2013) examined whether eco-friendliness perceptions of the product mediated the relationship between product nature as born or reborn and the luxury product evaluations. The analysis confirmed the significant mediating role of perceived eco-friendliness of the product, ($b = .1655$, $SE = .08$; 95% CI: .0099 to .3385; $c_{ps} = .142$). Specifically, the nature of the product as born eco-friendly increased perceived eco-friendliness of the product ($b = .33$, $SE = .16$, 95% CI: .0131 to .6544), which, in turn, enhanced positive product attitudes ($b = .49$, $SE = .06$; 95% CI: .3720 to .6200). Moreover, the direct effect of nature of the product as born or reborn eco-friendly on product evaluations was insignificant ($b = .19$, $SE = .15$, 95% CI: -.1191 to .4905), indicating a full mediation effect of perceived sincerity.

Finally, a t- test revealed no significant differences in the extent to which participants perceived the product as reflecting Giorgio Armani sincere eco-friendliness intentions between experiment conditions. Specifically, participants in the born condition rated the manufacturer's sincere eco-friendly intentions ($M = 5.00, SD = 1.70$) similar to participants in the reborn condition ($M = 4.91, SD = 1.44; t_{(224)} = .417, p = n.s$).

This study showed the effect of born and reborn, the different attitudes, perceived eco-friendliness of the product as a mediator. This study also showed that manufacturer sincerity perceptions remain unaffected.

6. General Discussion

Results of the three experiments supported our predictions. Specifically, Study 1 showed that when consumers encounter a luxury product which is born as eco-friendly, their evaluations of the product are higher compared to a luxury product that was reborn eco-friendly (H1). Findings of Study 1 also provided evidence for eco-friendly perceptions of the product as the underlying mechanism driving the effect of the nature of the product as born or reborn eco-friendly on attitudes toward the product (H2). Specifically, findings showed that a luxury product that was born eco-friendly boosts consumers' perceptions of the product as an eco-friendly one. This perception in turn was found to elicit higher evaluations of the product. Study 2 replicated and validated the findings of Study 1 by using a different product, and also, showed that luxury perceptions of the product remains unaffected between research conditions. Study 3 also replicated the findings of Studies 1 and 2 by supporting H1 and by further supporting H2. Furthermore, this study also showed that born and reborn had no effect of manufacturer sincerity perceptions. The effect of nature of the product as born or reborn eco-friendly, was consistent across three experiments, with two different products.

Our findings have important practical implications for manufacturers of luxury products seeking to incorporate environmentally-friendly attributes into their offerings and need to decide whether to brand a new product as an eco-friendly one (born eco-friendly), or to rebrand an existing product as eco-friendly (reborn eco-friendly). Our research findings encourage manufacturers to produce a new luxury product and brand it as eco-friendly from day one.

Future research could expand upon this to investigate whether the effect of nature of the product (born and reborn eco-friendly) remains stable across different product categories (e.g., physical products versus services). Future research might also consider additional mediators for the effect, for example, consumers' brand loyalty, consumers' purchase frequencies of the product, or the visibility of the consumed product by others.

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