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**Willingness to Pay for Sustainable Luxury:
An Empirical Inquiry into the Alchemy
with Individual Personality Profiles**

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Abstract

Amidst an era marked by significant environmental depletion and ethical renaissance, the discourse on sustainability has profoundly permeated public dialogues on global economic and social development since the mid-20th century. An ascending tide of ethical rigor intensifies among consumers increasingly demanding assurances of integrity, a phenomenon that unfolds with particular intrigue within the luxury sector, scrutinized for their pivotal role in international economic development.

Indeed, the juxtaposition of the two subjects of sustainability and luxury has catalyzed a spectrum of perspectives among academic researchers, with some perceiving the pair as an apparent oxymoron, while others as inherently symbiotic, thereby revealing a layered narrative of both philosophical and practical inquiry into the essence and implications of luxury in a world increasingly attuned to its ethical obligations.

This study ventures into the exploration of consumers' willingness to pay for sustainable luxury whilst probing the influence of individual personality profiles. Scrutinizing consumer intentions and unveiling barriers and accelerators in the theoretical comprehension to sustainable luxury consumption, research findings aim to contribute to the refinement of both academic perspectives and practical managerial implications for integrating environmental stewardship into the luxury realm.

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I. Introduction

1.1. The relevance of luxury beyond definitions

1.1.1. The historical legacy of luxury

The notion of luxury has consistently been a source of discussion among scholars and experts, yielding a plethora of heterogeneous and, occasionally, contradictory outcomes. To unveil an universal definition seems almost unattainable, for luxury as a concept has always been inherently fluctuating and elusive in nature. Existing within the realm of highly subjective abstraction, its definition resists any form of generalisation, therefore becoming a matter of perspective: luxury for one is not necessarily luxury for another (Chevalier & Mazzalovo 2021).

The evanescence of the concept of luxury can be attributed to its convoluted evolutionary path, originating from its etymological roots in the Latin word “luxus”: connoting “soft or extravagant living, sumptuousness, opulence”, this term shares a lineage with the word “luxuria”, which means “excess, lasciviousness, negative self-indulgence”(Brun & Castelli, 2013). Indeed, luxury first emerged as the description of licit practices of distinction, deeply connected to the experience of the excessive and of the superfluous. This depiction, later expanded to encompass debauchery and libertinism, aligning with an immoral socio-historical narrative of the spending habits observed during the Italian Renaissance and the post French Revolution era (Carrier and Luetchford, 2012). While this sense is still present, at the dawn of the industrial revolution, with the advent of mass consumption and the civilisation of leisure (Chevalier & Mazzalovo, 2012), the concept evolved to such an extent that it took on unanticipated connotations: luxury began encompassing a social stratification role, whereas previously, it had been a consequence thereof. In this paradigmatic shift, luxury demonstrates various forms of power, ostentation and prestige, amplifying emphasis on emotional and experiential facets, as the possession of anything perceived to be luxurious, links its owner or holder with immanent powers to achieve certain ends (Arnould, Price and Curasi, 1999). In its latest iteration, within the parameters of postmodern consumerism, luxury gathers additional valences of seduction and hedonism, and has evolved to both a symbol and a form of elitism, largely driven by brand recognition (Baudrillard, 1998). These dimensions have become the primary motivators for luxury consumption, outweighing functional and utilitarian considerations.

For luxury has received yet no global consensus among academics, it would be more accurate to approach any given definition as the description of a conception rather than of a concept. Indeed, whereas a concept is shared, a conception generally tends to be more personal. All various interpretations of luxury and of its valences, must be inevitably filtered through a sociological sieve, in fact, with all that is undefinable, there is a consequent flourishing of subjective definitions which are essentially the reflection of the professional, social and cultural trajectories of their users. Nonetheless, amid such proliferation of interpretations, each distinct representation of the concept retains significance: the proliferation itself serves to validate and enrich each of luxury's depictions, concurrently unveiling the concept's metamorphic essence which adapts to cultural nuances and societal shifts while reflecting the spirit of the historical period unbound by its constraints.

1.1.2. The consumer consensus

Whilst the concept of luxury proves elusive within scholarly discourse, its existence and influence are evident, tangible and undeniable for consumers worldwide. Beyond the multitude of angles and theoretical prisms for considering luxury, according to metatheory¹, a comprehensive definition clearly specifies the essential inherent properties necessary for inclusion within the concept. Acknowledging this principle, influential research endeavours have leveraged attributes directly detected by consumers to craft a clearer definition accessible to all. Although substantial disparities arise across countries on the more peripheral attributes of luxury, literature unequivocally suggests a consistent, shared consensus and understanding among its consumers worldwide, transcending diverse cultural landscapes.

According to a study conducted by Kapferer and Michaut (2016) among luxury buyers, the top three defining attributes of the concept are as follows:

- “High quality”: this feature refers to the durability and reliability characteristics of a luxury good, with superior craftsmanship and exceptional performance representing the foremost indicators of the standard. High quality in luxury signifies an

¹ a theory concerned with the investigation, analysis, or description of theory itself (Merriam-Webster Dictionary, 2023). Principles of good theorizing (Zaltman et al., 1973)

uncompromising commitment to excellence in design and functionality, resulting in products that not only meet but often surpass expectations of discerning consumers

- “Expensiveness”: this attribute emphasises the pivotal role of pricing, echoing the elitist experience. Indeed, high prices are instrumental to convey the idea of rarity, exclusivity and superior quality. According to a recent research by Parcel et al. (2016), price displays positively affect luxury’s consumers’ perceptions about luxury brand’s uniqueness and conspicuousness, contributing to the aspirational and exclusive nature of its consumption.
- “Prestige”: this characteristic refers to the elevated status, honour and respect associated with a luxury brand. The concept of prestige extends beyond material attributes, encompassing intangible elements such as cultural significance, social recognition and the overall perception of the brand within the collective consciousness. Within the market, luxury prestige finds embodiment in a select group of brands which have shaped this expansive economic sector and thereby significantly influenced consumers’ experience of what luxury entails. This further suggests the existence of a shared perceptual core, as people’s comprehension of luxury is shaped and facilitated by the very brands that have established a luxury presence worldwide (Chevalier & Mazzalovo, 2021).

In the relativity of luxury, these three dimensions pose at its core, and collectively underscore a profound sense of elitism that must be posed as the kernel of the luxury concept: the value of luxury primarily rests, above all else, on the promise and commitment to exclusivity. Elitism is the very source of growth for the luxury sector, in fact, cultivating a sense of anticipation and desirability, it nourishes consumer demand and perpetuates the aura of allure and rarity, consistently attracting a select few, but capturing the attention of a broader audience on more exceptional occasions (Kapferer, 2012).

1.2. The luxury industry

The luxury industry stands as an anomaly within conventional industrial delineations, existing as an outlier due its inherently unique nature. Rather than being confined in its description by specific goods, services or production processes, the luxury industry is defined by its positioning at the premium end of the market spectrum, representing a realm coveted for its opulence, exclusivity and prestige. In the multifaceted domain of this market, Bain & Company's yearly reports on the industry have delineated nine distinct segments: luxury cars, personal luxury goods, luxury hospitality, fine wine and spirits, gourmet foods and fine dining, high-end furniture and housewares, fine art, private jets and yachts, and luxury cruises.

Anticipated to set an unprecedented standard, the global luxury market is poised to reach a €1.3 trillion valuation in 2023. This robust growth, estimated at a steady 11-13% constant exchange rate, translates to approximately a €160 billion increment in spending across luxury categories (Bain & Company, 2023). Such projection defies pronounced, tumultuous geopolitical and macroeconomic fluctuations, affirming the luxury industry's unparalleled resilience. Globalisation has been instrumental catalyst in propelling the luxury industry ascent, fostering a convergence of international markets and cultural influences. However, sustaining success within this landscape demands a delicate equilibrium, as the industry endeavours to preserve its intrinsic allure and expansive reach while embracing evolving consumer expectations and preferences.

Geographical nuances exercise significant influence in shaping the luxury landscape. While Europe has experienced a progressive surge in tourism, fuelling market growth as top-tier clientele sustain their positive momentum, the Americas witnessed a deceleration, with a 8% decline from 2022, due to widespread uncertainty impacting aspirational consumers' spending. Although confident, top customers have maintained their spending overseas, leveraging a robust US dollar against the Euro and benefiting abroad from favourable price differentials. Conversely, regions such as Saudi Arabia and Australia emerge as promising hubs for luxury investments and growth, while Asia's trajectory presents diverse performances across key regions, influenced by local economic factors.

A pivotal aspect shaping the luxury industry's trajectory is the multigenerational landscape complexity, as brands must play ambidextrously to serve different needs

across the consumer base. While Generation X and Y comprise the primary bulk of luxury purchases, Generation X emerges as a transformative force driving social and cultural shifts, with a penchant for meaningful experiences, a quest for meaning and a distinct impact on other generations' value systems. Projections indicate that by 2030, Gen X is expected to wield significant influence in luxury market purchases, capturing a 25-30% market share, while millennials will continue to retain substantial purchasing power (Bain & Company, 2023).

In the forecasted landscape of the luxury market, Bain & Company (2023) anticipates substantial shifts that will redefine its dynamics. Chinese consumers are poised for resurgence, projected to represent the most substantial share of global luxury purchases, potentially reaching 38-40% therefore establishing China as the foremost luxury market. Online channels, notably digital commerce, are set to emerge as the primary avenues for luxury transactions, estimated to occupy a significant market share of 32-34%, followed by mono-brand stores at 30-32%. This evolutionary shifts are expected to propel a wave of mergers and acquisitions as brands adjust their focus on differentiation, curating meaningful experiences across diverse touchpoint to address prevailing industry challenges. Lastly, sustainability and technological integration will emerge as critical strategies, guiding brands through luxury's landscape exploration, fostering innovation and ensuring long-term relevance in global market dynamics.

The transformational stimuli detected within the luxury industry forecasts paints a vivid picture of its impending evolution. Navigating through this complex and prolific sector demands acute sensitivity to shifting trends, global dynamics and generational changes in customer preferences. As luxury brands seek to maintain their enduring success, adeptly managing these evolutive paradigms becomes crucial amidst the dynamic global milieu.

1.3. Willingness to pay

The concept of willingness to pay, abbreviated as WTP, defines the maximum monetary threshold that a consumer (or a group of consumers) is willing to spend on a particular product, service or experience. Such concept holds pivotal significance within economic discourses, particularly within the realms of consumer behaviour and pricing mechanisms. Serving as a gauge of perceived value, WTP operates as a dynamic force in shaping market dynamics.

Notably, in WTP, significant variations can be observed among customers, underscoring the intricate nature of purchasing decisions. This variance stems from a plethora of diverse factors that can be categorised as either demographic (extrinsic), such as age, gender, income and education, or psychographic (intrinsic), including lifestyle preferences and cultural influences. Additionally, it is imperative to acknowledge the influence of external factors, such as economic conditions and market trends.

The study of WTP transcends the immediate transactional aspect, delving into the spheres of customer loyalty and brand perception. Researches dedicated to pricing, employ diverse methodologies, such as surveys or experimental actions to unveil insights into customer behaviour. Businesses, therefore, keenly analyse WTP's layers of complexity to establish optimal pricing structures, comprehend market demand and craft effective marketing strategies, not solely for revenue maximisation but also to align with customer expectations, enhance retention, prevent alienation and cultivate a positive brand image.

WTP extends beyond mere instrumental pricing strategies and metrics: it represents a multifaceted learning curve intertwining with various aspects of consumer psychology, market dynamics and brand management. Its understanding and analysis contribute to a holistic comprehension of how individuals ascribe value in the complexities of the marketplace, thereby shaping the landscape of supply and demand. A comprehensive approach enables businesses to foster sustainable customer relationships and maintain a competitive edge against the dynamism of the economic landscape.

1.4. The Big Five personality traits

The Big Five personality traits, also referred to as the Five Factor Model (abbreviated to FFM), represents a fundamental cornerstone in human personality exploration. As the culmination of extensive research and collaborative efforts among multiple psychologists, FFM is a widely embraced and comprehensive framework encapsulating five core dimensions, each integrally describing and assessing the structure and diversity within individual personalities. These essential dimensions encompass:

- **Openness to experience:** this trait embodies a spectrum of intellectual curiosity, aesthetic sensitivity and imaginative prowess, reflecting the extent to which individuals engage in novel ideas and experiences. Individuals scoring high in Openness exhibit a penchant for expansive thinking and continuous learning, finding pleasure in exploring varied intellectual domains, embracing unconventional perspectives and demonstrating a heightened sensitivity to artistry and beauty. In contrast, individuals lower in this dimension tend to exhibit a more restricted range of intellectual and creative interests, displaying a tendency towards close-mindedness and a preference for familiarity over exploration.
- **Conscientiousness:** this dimension encompasses varying degrees of organisation, productivity and responsibility in individuals' personalities. Highly conscientious individuals generally exhibit a strong inclination towards structure and orderliness, a persistent work ethic prioritising goal attainment and demonstrate consistency and reliability in fulfilling their duties and obligations. By contrast, individuals lower in Conscientiousness tend to display comfort with disorder, reduced motivation for task completion, preferring relaxed, flexible approaches to responsibilities and routines, often showing a lack of adherence to structured orderliness.
- **Extraversion:** this core dimension represents individual differences in social engagement, assertiveness and energy levels. Those characterised as highly extraverted individuals, thrive in social settings, deriving enthusiasm and excitement from interacting with others. Conversely, introverted individuals typically favour solitude and exhibit social and emotional reserve. Leaning towards introspection, they may feel discomfort in highly social or group-oriented settings.
- **Agreeableness:** this personality trait encapsulates fluctuations in compassion, respectfulness and the acceptance of others' perspective and needs. Individuals

scoring high in Agreeableness naturally exhibit genuine empathy and consideration for others feelings, right and preferences. They foster a general inclination towards trust and cooperation through positive beliefs and emotional concern in interpersonal interactions. In contrast, those lower in Agreeableness may demonstrate a reduced regard for others' feelings and less adherence to social politeness norms as they have a tendency to prioritise personal interests over harmonious social interactions.

- Neuroticism: this last dimension delineates variations in the frequency and intensity of emotions in individual's personalities. Highly neurotic individuals often exhibit a tendency towards heightened and frequent levels of anxiety and stress, mood fluctuations, and emotional reactivity. Conversely, emotionally stable individuals, positioned on the lower end of the Neuroticism spectrum, tend to display resilience and calmness, being less prone to experiencing emotional turbulence when confronted with difficult circumstances.

The Five Factor Model equips researches and practitioners with a structured, systematic framework to comprehend and study personality traits, enabling a profound understanding of human behaviour across various contexts and applications. This structured approach not only aids in academic research but also serves as a guiding tool for businesses, facilitating the assessment of customer behaviour which consequently enables the formulation of more effective strategies. By utilising FFM, businesses can segment their customer base and refine marketing strategies, product development and customer service initiatives to align with specific personality dimensions, therefore enhancing customer satisfaction, loyalty and engagement. As this tailored approach and interactions resonate authentically with individuals' inherent personality traits, it ultimately fosters long-term relationships and fortifies a competitive edge in the marketplace.

II. Literature Review

2.1. The sustainability imperative

2.1.1 *Understanding sustainable development*

During the 1960s and 1970s, Western countries witnessed a growing concern that the trajectory of economic growth, nurtured by pervasive consumerism and related lifestyle demands, posed an immediate threat to the delicate ecological balance, economic stability and global security (Blewitt, 2018). This era experienced a paradigmatic shift in societal thought: expansionist ideals, intrinsic in modern industrial society, collided with a worldwide ecological crisis, prompting a seismic shift towards considering such economic growth as inherently unsustainable. Hirsh's influential counter-discourse challenged the prevailing narrative of relentless growth and its societal fetishisation, probing its role in perpetuating social inequalities and emphasising its neglected limitations, such as constraints on productivity gains and the equitable distribution of resources, which held greater significance than distant physical boundaries e.g. environmental constraints (Hirsh, 1976). Mankind had found itself overwhelmed in an intricate labyrinth of unprecedented complexity, resulting into a multitude of systemic dysfunctions across ecological, economic and social domains, each presenting diverse challenges devoid of straightforward solutions.

In this very context, the concept of globalisation began to be critically examined, as empirical evidence supported its direct correlation to the increase of inequality, environment deterioration and resource depletion through the exploitation of new Information and Communication Technology (ICT) infrastructure (Borghesi & Vercelli, 2002). Globalisation is a dynamic process situated along a continuum, embodying a constellation of interrelated relations converging at a specific locus, fostering the creation of structured networks of interactions, nodes of activities, and sites of power and exchange, thereby magnifying the impact of human activities across broader geographical expanses. This phenomenon extends social structures of dominance and subordination across the entire planet, exemplified by instances such as child labor supporting consumer materialism, or environmental degradation in one region, influencing politics and energy usage in another (Massey, 2005). Such interconnected flows of global activities, whilst facilitating unprecedented movements of physical artefacts, people, tokens, capital, information, and ideas across spatial and temporal boundaries, has entailed unchecked exploitation and consumption exacerbating

environmental crises such as climate change and biodiversity loss (Borghesi & Vercelli, 2002).

Amidst this upheaval, the concept of sustainable development began to gain momentum as a promising framework to address and overcome urgent environmental challenges.

The Brundtland Report, issued by the World Commission on Environment and Development (WCED) in 1987, defined sustainable development as “the development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. This definition marked the concept’s political maturity and established the content and structure of the debate (Kirkby 1995). The Brundtland Commission’s conceptualisation encompasses two key concepts:

- The concept of “needs”, in particular the essential needs of the world’s poor, to which overriding priority should be given (WCED, 1987).
- The idea of limitations imposed by the state of technology and social organisation on the environment’s ability to meet present and future needs (WCED, 1987).

In this endeavour, the Commission emphasised the strong linkage between poverty alleviation, environmental improvement, and social equitability via sustainable economic growth (Mebratu, 1998). Despite the heterogenous criticism on its vagueness, ambiguity and practical inconsistencies, the Brundtland Report proved to be exceptionally instrumental as a major political pivot, cultivating a holistic approach and a cohesive global outlook with respect to our planet’s future.

The impetus behind the institutionalisation of sustainable development would continue with the 1992 Earth Summit held in Rio, where political leaders pledged their support to the principle (Jordan and Voisey, 1998). Such event culminated in the publication of the Rio Declaration, consisting of 27 principles meticulously crafted to serve as a compass for the trajectory of future sustainable development initiatives worldwide, and Agenda 21, a comprehensive blueprint, built upon the Brundtland Report, articulating a strategic roadmap to operationalise these principles, emphasising the need to link social and economic development with environmental protection (UN, 1992).

In a continuum with the Rio achievements, in 2015, the United Nations, driven by a steadfast dedication to multilateralism and the orchestration of an international policy, forged the UN 2030 Agenda for Sustainable Development, unveiling 17 Sustainable

Development Goals (SDGs) alongside 169 associated targets. This cardinal framework was designed as a demonstration of the sheer scale and ambition encapsulated within the United Nations' 2030 Agenda, serving as a transformative tool to shift the world onto a sustainable and resilient path (Jones et. Al., 2017). Serving as a universal call to action, the SDGs urge countries “in preparing for a future that ensures stability, a healthy planet, fair, inclusive and resilient societies and prosperous economies” (European Commission, 2018). Encompassing an integrated and indivisible approach, these goals address the interwoven dimensions of social progress, economic prosperity and environmental conservation, envisioning a balanced and harmonious global landscape with the crucial mandate that no individual or community should be left behind (UN, 2015). Through comprehensive holistic lens, the SDGs aim to galvanise concerted actions towards a sustainable and prosperous world, fostering a legacy of enduring harmony for generations to come.

2.1.2. The Triple Bottom Line approach

The last 20 years have witnessed a surge in publications on sustainability, to the extent where ‘sustainability science’ is often seen as a distinct field (Kates et al. 2001; Komiyama and Takeuchi 2006; Schoolman et al. 2012; Kajikawa et al. 2014). Yet, despite such proliferation of discourses, sustainability remains an open concept with myriad interpretations and context-specific nuances (Purvis et al, 2019), as, for its very nature, it has often been considered very often vague, self-contradictory, incoherent and incapable of being translated into practice (J.Blewitt, 2018).

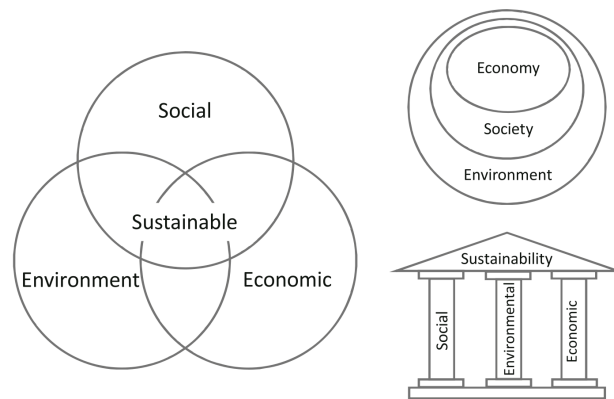
Nonetheless, in light of such friction towards the concept, Banjee (2003) acknowledges that the sustainable development discourse encompasses the notion of plurality and encourages genuine dialogue of values, indeed the meaningfulness of the sustainability concept does not lie in providing a comprehensive solution for its understanding and fulfilment, but rather in fostering a shared common arena for dispute, dialogue and potential agreement as the basis for collective action (B. Ratner, 2004). Indeed, the definitions of sustainability usually end up as a list of preferred characteristics, most often pertaining to the global socioeconomic system in the context of its ecological life support system (Costanza et al, 1995). As an example, most definitions of sustainable development (WCED, 1987; Pezzey, 1989; Costanza, 1991)

contain elements of: (1) a sustainable scale of the economy relative to its ecological life-support system; (2) an equitable distribution of resources and opportunities between present and future generations; and (3) an efficient allocation of resources that adequately accounts for natural capital (Costanza and Patten, 1995).

Despite the relative dearth of literature probing ‘sustainability’ and ‘sustainable development’ conceptually (Purvis et al, 2019), the apparent multidimensionality of the sustainability concept within global socioeconomic and ecological contexts lays the groundwork for the Triple Bottom Line (TBL) approach. Introduced in 1994, the TBL represents a new sustainability taxonomy embracing new guidelines for industries to undertake and address its institutionalisation reflecting a gradual emergence from various critiques in the early academic literature of the economic status quo from both social and ecological perspectives on the one hand, and the quest to reconcile economic growth as a solution to social and ecological problems on the part of the United Nations on the other (Purvis et al, 2019).

Emphasising the integration of social, economic, and environmental dimensions — people, profit, and planet — the ubiquitous illustration to describe the TBL’s tripartition is the Venn diagram, shown in Fig. 1, depicting the three intersecting circles of society, environment, and economy, with sustainability strategically positioned at their intersection. The three overlapping ellipses convey that the three pillars of sustainability are not mutually exclusive, but rather mutually reinforcing; in addition they are interdependent, implying that none of these dimensions can exist without the others in the long run (Morelli, 2011). Alternative portrayals include the three depicted visually as nested concentric circles, literal pillars, or even independent of visual aids with distinct categories for sustainability goals or indicators (Purvis et al, 2019).

Fig. 1: Graphical variations in form of the descriptors of “sustainability”.



Source: Purvis et al, 2019.

Nevertheless, amid all variation in graphical depictions among different authors, the three fundamental components integral to the discourse of sustainability are:

- Social dimension — people: encompassing the impact of an organisation on the people’s welfare, both within its employees and the broader community, and addressing troubling aspects such as education assistance, community engagement, charitable contributions, and fair fare business practices (Engardio, 2007). A prominent topic within this dimension is the growing emphasis on Corporate Social Responsibility (CSR) initiatives, gaining considerable attention not only on research but also on corporate strategies and operations (Hallstedt, Ny, Robèrt, & Broman, 2010)
- Economic dimension — profit: focusing on the value created by the organisation extending beyond the conventional financial performance metrics such as sales growth, cash-flow and shareholder value, to embrace the economic and operational business impact on the society (Chabowski et al., 2011). This dimension evaluates organisational performance through adept management of its strategic capabilities such as core competencies (Prahalad & Hamel, 1999), shareholder value creation (Doyle, 2000), and marketing orientation (Akroush, 2012).
- Environmental dimension — planet: pertaining to the organisation's attempts to minimise environmental impact, energy consumption and waste production, in order to mitigate their ecological footprint (Correia, 2019). Porritt (2007) and Bansal (2005) contend that within the TBL, the environmental dimension holds paramount

importance, as the social and economic are deemed secondary being dependent on the Earth's resources, limits and systems.

Fig. 2: Environmental, social and economic dimension of sustainability.

Environmental dimension of sustainability	Social dimension of sustainability	Economic dimension of sustainability
Environmental issues Global climate change. Increased drought, habitat destruction, and rising sea levels	Social issues Increased public distrust toward business practices. Tension between the interests of business and society. Companies are expected to do more for social well-being	Economic issues Enduring global economic recession, widespread job losses and insecurity, high financial risks
Green marketing	CSR	Conventional financial performance
"Green" applications of a range of traditional marketing topics, such as advertising and promotion, purchase intention, and consumer behavior	Firms that embrace sustainability also respond to a macro-level societal concern for habitat and quality of life	Preservation of economic interests of external stakeholders, broad-based improvement in economic well-being and standard of living

Source: Amatulli et al, 2017.

2.1.3. Sustainable governance

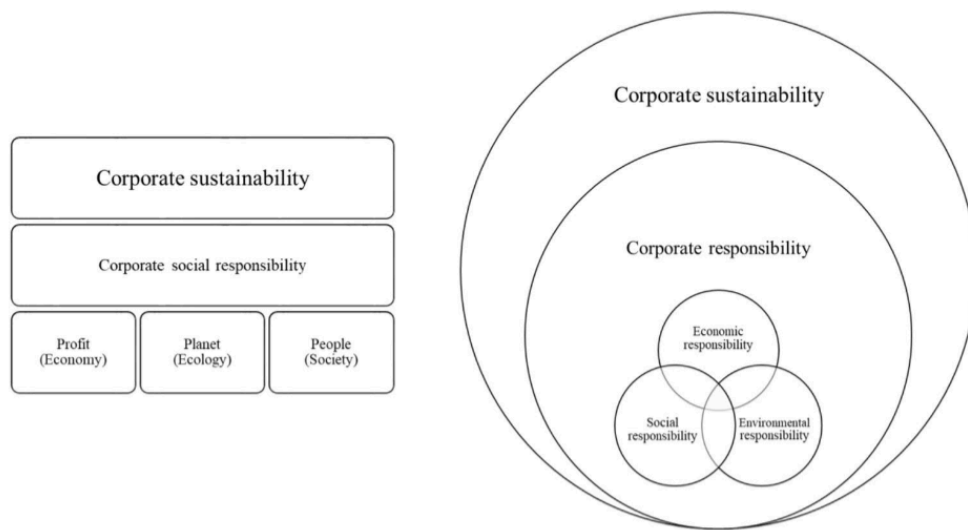
Although the Triple Bottom Line (TBL) approach originated as an accounting and assessment framework for sustainability within business contexts (McKenzie, 2004), the intricacy of its feasibility extends beyond the perimeters its model. Notably Redclift argues that the concept of 'development', entrenched in Western colonial capitalist narratives, poses significant barriers to sustainability. Indeed, without thorough interrogation and political reform, sustainability itself is jeopardised (Redclift 1987).

Since the beginning of the twenty-first century, the concept of corporate governance, defined as "procedures and processes according to which an organisation is directed and controlled" (OECD, 1999), has garnered heightened attention and scrutiny. Corporate governance delineates the multidimensional allocation of rights and responsibilities among various participants within the organisation (such as boards, managers, shareholders and stakeholders), emphasising coordination, cooperation and harmony, while establishing the rules and protocols for political decision-making execution (Ch.K. Ho, 2005). In that, the relationship between governance and sustainable development is intricate and interdependent. Indeed, in the current global business landscape, sustainability has emerged as a paramount worldwide trend and challenge for

enterprises. Consequently, an increasing consensus advocates for a socio-political shift in corporate governance strategies in order to uphold both effective performance and social accountability, thereby satisfying, as the utmost condition for achieving long-term corporate sustainability, all three dimensions of sustainable development i.e. social, economic and environmental dimensions.

In between Corporate Sustainability, abbreviated to CS, and the three dimensions, Corporate Social Responsibility (CSR) serves as a pivotal intermediary tool, evaluating organisations' endeavours to balance the Triple Bottom Line (van Marrewijk, 2003). CSR is defined by Holme and Watts (2000) as "the continuing commitment by business to behave ethically and contribute to economic development, while improving the quality of life of the workforce and their families as well as of the local community and society at large". Keijzers (2002) observes that the notions of CSR and CS have historically evolved along distinct trajectories, but are recently growing into convergence, but in order to prevent CS and CSR from being utilised synonymously, van Marrewijk (2003) recommends to keep a nuanced but essential distinction: "associate CSR with the communion aspect of people and organisations and CS with the agency principle". Consequently, CSR encompasses phenomena such as transparency, stakeholder engagement and sustainability reporting, while CS centres on value creation, environmental stewardship, environmentally-friendly production systems, human capital management. L. Linnanen and V. Panapanaan (2002) depict the relationship of CS, CSR (i.e. CR), and the three dimensions of the TBL approach as shown in Figure 3.

Fig. 3: Mapping of CS, CSR/CR, and the three dimensions of the TBL approach.



Source: Fatima and Elbanna (2022)

Corporate Sustainability therefore refers to “a company's capacity, facilitated by its governance practices and market influence, to enact positive impacts “on ecosystems (enhancing natural resources, mitigating pollution, etc.), society (empowering local communities, fostering employment, etc.), and economic progress (equitably distributing wealth via dividends, offering fair wages, honouring supplier payments)” (Krechovská & Procházková, 2014). According to Linnanen and V. Panapanaan (2002), such concept constitutes the ultimate objective for businesses aiming to foster sustainable wealth generation through fair competition and cooperation, thereby nurturing broader market prosperity.

But, with many models guiding the pursuit of the goal of Corporate Sustainability and Sustainability itself at large, it's crucial to recognise the implications of governance within the triangular relationship that constitutes the main stakeholders and beneficiaries of sustainability: the State, the Business and the Civil Society. “The State is the sole responsible for creating and upholding legislation (control), Business generates wealth through competition and cooperation (market), and Civil Society structures and shapes society via collective action and participation” (van Marrewijk, 2003). However, to foster more nuanced approaches and increase the both the individual and collective level of awareness, thereby fostering favourable behaviour and restoring the imbalance of global institutions, all parties must consider the following:

- Sustainability in all its forms can be promoted rather than solely achieved, indeed it is a political goal rather than a strictly scientific term, indicating a direction for action (Grainger, 2004)
- The normative dimension plays an essential role in promoting consumption standards aligned with ecological limits, fostering concern for equity and future generations etc. (Baker 2016)
- A “one-size-fits-all” approach is ineffective, as countries vary in resources, capital assets, values, cultures, traditions and responsibilities (Blewitt, 2017)
- Sustainable development, akin to democracy and justice, is subject to contestation and interpretation (Blewitt, 2017)

2.2. The inherent oxymoron of sustainable luxury

2.2.1. Opportunity in a latent synergy

We are living in an “ethics era” (Crane and Matten 2007; McGoldrick and Freestone 2008; Smith 1995), characterised by a heightened consciousness of sustainability imperatives and their amplification through extensive media coverage and robust scientific discourse (Haunschild et al. 2019). This very context poses as a unique challenge for the luxury industry, whose consistent prosperity, despite recessions, economic turbulences and increasing social disparities, appears as a paradox or even a provocation for some critics (Kapferer & Michaut, 2015). Symbolising the growth of a consumption based on motives beyond functionality, often perceived as regressing into notions of opulence and indulgence, the luxury sector has drawn scrutiny and criticism not only from activists, NGOs, media and shareholders, but from a growing segment of ethical consumers (Mauer, 2014) driving demand for ecological integrity, durability, and transparency in manufacturing processes (Lozano, Blanco, & Rey-Maqueieira, 2010). Acknowledging their leading role as industry models across diverse sectors (e.g., Choi 2014), stakeholders harbour latent expectations for luxury brands’s commitment to sustainability, which, with such dominance, they would poise significant impact in pivoting production processes and fostering sustainable consumption patterns (Joy et al., 2012), thereby catalysing the overarching direction of sustainability efforts across entire industries.

The ongoing discourse surrounding sustainable luxury practices emphasises the historical perception of luxury and sustainability as diametrically conflicting concepts (Joy et al., 2012; Kapferer & Michaut-Denizeau, 2014; Ali et al., 2019; Kunz et al., 2020). Furthermore, the absence of consensus regarding clear and indisputable definitions of both terms exacerbates the grasp of their core aspects (Kunz et al., 2020). Nonetheless, the juxtaposition of the values and components of luxury with those of sustainability in scholarly discourse, allows to discern potential elements of weak association, divergence and even contradiction. The term “luxury” is, indeed, commonly associated throughout academic literature with notions excess, intemperance, debauchery (Aiello and Donvito 2006), wealth, social status, prestige (Cervellon & Shammass, 2013; Janssen et al., 2014), ostentatious and superfluous consumption (Moraes et al., 2017), leading to overproduction (Athwal et al., 2019). The purchase of luxury goods has therefore often been portrayed as a catalyst for social inequality,

deemed as inherently irrational and vainly superfluous, thus inviting criticism with regards to sustainability (Kapferer, 2010; Achabou & Dekhili 2013; Beckham & Voyer 2014) which in turn has been considered of radically different values evoking justice and connection to nature (Holmes, 2011), altruism, sobriety, moderation and ethics (Widloecher, 2010), inclusiveness, prudence, and connectivity (Gladwin et al., 1995).

However, recently, a shift in the connotation of the disparity between these two concepts has begun to emerge, in favour of their compatibility (Guercini & Ranfagni, 2013; Lochard & Murat, 2011). As highlighted by Kapferer and Michaut-Denizeau (2014), luxury is associated synonymously with attributes such as exceptional quality, artisanal craftsmanship, savoir-faire, slow time, the preservation of hand made traditions, transmission from generation to generation of timeless products. Indeed, the deliberate preservation of human talents and biological resources, combined with the intentional extension of the lifecycle of luxury goods, whilst minimising waste, promoting reuse and preserving natural resources (Godart & Seong, 2014; Guercini & Ranfagni, 2013) has consistently constituted a core value for authentic luxury brands (Kapferer, 2010), therefore suggesting numerous synergies with sustainability principles. Furthermore, the industry's adherence to practices such as limited production, strict demand and supply management, premium pricing, and decisions against outsourcing or mechanisation, have, to some extent, contributed to rather than detracted from sustainability efforts (Aybaly et al., 2017).

The expansion of consumer expectations on luxury products to include social and environmental expectations (Lochard & Murat, 2011), has positioned sustainable development as both a “pervasive challenge” (Gardetti and Torres, 2014) and “an opportunity to improve brand differentiation and corporate image” (Kim et al., 2012). As argued by Kapferer (2014), the luxury industry must prioritise sustainability in order to maintain competitiveness, as a positive brand reputation is crucial in terms pricing power and monetary value (Kapferer and Bastien, 2012; Fombrun and Shanley, 1990). Indeed, “luxury product manufacturers can no longer rely uniquely on their brand name and the intrinsic quality or rarity of their products; they must now convey humane and environmental values in order to establish a lasting relationship with consumers” (Achabou & Dekhili, 2014). However, it must be noted that consumer response to CSR activities is most favourable when it reflects genuine commitment rather than mere

brand image enhancement (D'Anolfo et al., 2017). Finally, for innovative sustainable luxury products will establish as new benchmarks in ethical consumption and production, thereby fostering positive societal outcomes whilst preserving brands' reputation and even their operational licenses (Kapferer and Michaut, 2014), sustainability has evolved into an implicit necessity in the luxury sector, despite not being explicitly articulated in the past (Berger et al., 1993). Nonetheless, whereas the debate on whether sustainability is intrinsic to the luxury industry persists with its nuanced complexities, the factual disentanglement of such discussed oxymoron between the two concepts is imperative for defending the legitimacy of the luxury sector as a whole (Kapferer and Michaut, 2014).

2.2.2. Willingness to pay for sustainability in luxury

Delving into the intricacies of consumer behaviour towards sustainable products unveils a rich tapestry of insights, underscoring the critical importance of dissecting the fabric of their intentions, purchasing paradigms and attitudinal dispositions towards sustainable luxury. Rizomyliotis et al. (2021) emphasise the increasing consumer awareness of environmental challenges and their belief in their potential to amend the environmental status quo through their deliberate purchasing decisions, thereby sculpting their consumption ethos and behaviours in alignment. Yet Smith, Palazzo, & Bhattacharya (2010) observe the intricate nature of consumer receptivity towards Corporate Social Responsibility (CSR), often presenting as a nuanced spectrum rather than an overt endorsements of corporate CSR dictums. Such complexity further extends into the diversity of consumers' commitment, ranging from conspicuous participation in anti-advertising movements (Dubuisson-Quellier, 2007), to more tacit individualised endeavours such as sorting waste or green product purchasing. Furthermore, such engagements reveal a dichotomy of motivations: altruistic drive against market supremacy (Peattie & Peattie, 2009), juxtaposed with a selfish impetus driven by concerns for personal health, well-being and a pursuit for premium quality (Hertel, Aarts, & Zeelenberg, 2002). This dissonance is reflective of a broader pattern identified across the entire academic spectrum, which consistently observes a divergence between attitudes and behaviours entailing ethical decision-making criteria, prompting a critical evaluation of the salience of sustainability criterions hold in luxury purchases, where

sustainability seldom a key selection criteria among luxury brands (Kapferer and Michaut, 2014). Therefore, such consumerism paradox, characterised by a disjunction between behavioural intentions and tangible actions with respect to sustainability, persists within the context of luxury consumption sphere as well (e.g., Vermeir and Verbeke, 2006), accentuating the complexity of integrating sustainability into the luxury domain, urging the industry to adeptly navigate the intricacies of aligning customers intentions with actionable commitments.

In the realm of sustainable luxury, the intricacies defining consumers' Willingness To Pay (WTP) for products that epitomise CSR initiatives signal a paradigmatic shift within the luxury market, broadening the nuanced understanding of the luxury concept as a whole. Central to such discourse is the imperative to forge a comprehensive understanding of the intricate dichotomy observed between luxury and sustainability, and its consequent profound influence on consumers' purchasing behaviours and, therefore, their WTP for luxury sustainable products and experiences. Kapferer and Michaut (2015) address such conceptual elaborate, unveiling that individual interpretations of luxury critically dictate the degree of perceived inconsistency with sustainability principles. As previously discussed, although the academic discourse surrounding the nature and definition of luxury is extensive, there remains a conspicuous absence of consensus, an ambiguity that largely arises from its idiosyncratic nature (Kapferer, 1998), in that "what is luxury to one may just be ordinary to another" (Phau and Prendergast, 2000). Within this framework, Kapferer and Michaut (2015) reveal that whereas consumers aligning luxury with exceptional quality experience reduced friction between the two concepts, those who associate luxury with exclusivity, rarity or expensiveness encounter intensified cognitive dissonance. Such convergence or discrepancy, in turn, governs their engagement, thereby emphasising the theoretical importance of foundational views held by consumers. Expanding on this theme, luxury consumption scholars Han et al. (2017) employed Heider's (1958) balance theory to understand the luxury-sustainability oxymoron, a theory suggesting that "individuals naturally seek to maintain internal harmony and order among their attitudes, values, and behaviours". Accordingly, any imbalances among such elements compels adjustments to either individuals' attitudes and/or behaviours to restore the equilibrium, demonstrating that the sustainable fashion

dilemma represents a psychological imbalance within the consumer psyche, thereby perpetuating the existence of such oxymoron.

Such oxymoronic tension significantly exacerbates the inherent complexity of the discourse on Willingness to Pay (WTP) for sustainable luxury, introducing an additional layer of complexity within the dynamics of consumer demand in this context. Indeed, on the topic of market demand, scholars such as Amatulli et al. (2017) assert that consumers acknowledge the positive impacts of purchasing luxury goods on the environment and society at large, marking a shift towards a more conscientious approach to luxury consumption “manifested in the consumers’ tendency to buy luxury products that are novel inasmuch as they are sustainable”. Conversely, other researches as De Klerk et al. (2019) report that, despite strong ethical proclamations, their study participants seldom translate these into significant environmental action. This polarity is then mirrored in the broader spectrum of specific research related to WTP for sustainable luxury. Some studies, indicate that consumers typically accept higher prices for green luxury products compared to their conventional counterparts (Harris & Freeman, 2008), and are even willing to pay a premium (Gam, Cao, Farr, & Kang, 2010). Further research, including that by Athwal et al. (2019) and Janssen et al. (2014), identifies a distinct segment of luxury consumers who demonstrate a heightened WTP for certified sustainable or ethically sourced products, “appreciating the dual value such goods and experiences offer: the inherent luxury experience and ethical self-fulfilment” (Beckham & Voyer, 2014). Conflictingly, Devinney, Auger, and Eckhardt (2011) argue, along empirical evidence, that the positive WTP is confined to a small market segment and that the majority of consumers remain largely indifferent to CSR-driven premiums. Such observation is further supported by Bhattacharya & Sen (2004), who posit that consumer support for a company's CSR efforts hinges on the product's high quality and the lack of an additional premium for its social responsibility features. Lastly, Arrington (2017), notes that many luxury consumers claim to consider ethical issues in their purchasing decisions, yet their actual spending on ethical products does not match this stated intent.

Conclusively, while the divergence between consumer attitudes and their actionable behaviours in the realm of sustainable luxury presents an enigmatic paradox, the escalating demands for sustainable products and experiences underscores a substantial

shift in market dynamics. Such increasing consumer propensity towards sustainability (Tomkins et al., 2018) implies that ethical imperatives are progressively becoming more central to consumer deliberations, albeit not always directly influencing their Willingness to Pay (WTP). Moving forwards, and acute understanding of such complex dynamics is essential for luxury brands striving to adeptly navigate this evolving terrain,. By meticulously dissecting the factors that influence consumer decisions regarding WTP, stakeholders can then tailor their strategic approaches to more closely align with the expectations for sustainability in luxury markets thereby optimising both consumer engagement and fiscal performance.

2.2.3. Determinants for consumers (dis)engagement

The domain of sustainable luxury is rife with complexities challenging conventional consumer behaviours and ethical standards. As the global community contends with escalating environmental calamities, the luxury sector faces intensified scrutiny over its commitment to sustainability. This domain is laden with inherent contradictions and perpetual barriers denounced for obfuscating progress. Scholarly literature elucidates the following engagement disablers contributing to such conundrum:

- The elusive nature of the sporadic luxury purchase: Davies et al. (2012) argue that the infrequency of luxury purchases contributes to a diminished consumer perception of their environmental impact. Luxury goods in particular, often engender a psychological detachment from what may be a routine of ethical scrutiny that more ubiquitous products, such as mass-produced textiles, regularly incur. This highlights a distinctive psychological imbalance wherein the rarity of luxury acquisitions clouds the consumer's perception of their ecological footprint, in fact, in stark contrast to frequently purchased items whose environmental impacts are more readily acknowledged due to the repetitive consumption patterns, the sporadic nature of luxury purchases may inadvertently diminish the consumer's sense of personal accountability in this matter.
- The sanctification of the luxury experience: Davies et al. (2012) and Kapferer and Michaut (2020) posit that luxury consumption is often enveloped in a halo of sanctity, perceives as a consecrated act of escapism where indulgence supersedes

responsibility. This experience is thus expected to remain untainted by the environmental degradation and socio-ethical dilemmas plaguing the global stage.

- **Perceptual inertia in luxury consumerism:** some of intrinsic attributes of luxury items (i.e. superior quality and unique design) often dictate consumer preferences, overshadowing the sustainable attributes these products might carry. According to Achabou and Dekhili (2013), the willingness of consumers to opt for environmentally friendly luxury items hinges significantly on these products mirroring the aesthetic and functional qualities of their conventional counterparts. Such perceptual inertia presents a formidable barrier to the adoption of greener alternatives within the luxury sector (De Angelis et al., 2017).
- **Miscommunication and greenwashing:** in the current landscape of sustainable luxury, a flow of accurate information regarding sustainable practices is often obstructed by a nebulous veil of marketing rhetoric. Brands that are truly committed to sustainability often lack the recognition and prestige needed for desirability, conversely, wherein brands proclaim sustainability credentials, they often engage in the precarious practice of greenwashing, a common phenomenon catalysing consumer skepticism. Although companies' advertisement of their commitment to sustainable development can be attributed to image management imperatives in response to societal pressures resulting from negative environmental repercussions (Bansal & Roth, 2000), corporations should actively contribute the co-creation of responsible consumerism through robust customer education, empowerment and transformation. Nonetheless, in this climate of mistrust, consumers who have frequently been deceived by misleading brand communications, express an aversion to buying green products, a sentiment negatively correlated with buying intentions (Leonidou & Skarmeas, 2017) leading to the notion of green consumer confusion (Chen & Chang, 2013).

Contrastingly to such determinants for sustainable luxury disengagements, Davies et al. (2012) elucidate an intriguing paradox serving as an enabler. Indeed, despite a general neglect of ethical criteria in their purchasing decisions and behaviours, there persists an implicit assumption that luxury brands, inherently uphold more stringent environmental and ethical standards than their non-luxury counterparts. Such sudden sensitivity to sustainability in this context, while seemingly paradoxical, if well analysed is intrinsically linked by virtue of the very attributes inherent to the conceptualisation of

luxury itself: the exorbitant pricing, often deemed beyond the sphere of necessity, the rarity, exemplary quality and apex level of craftsmanship, along with the intertwined social prestige and compelling narratives of the brands, collectively project an image of immaculacy. Consequently, although luxury consumers may not overtly prioritise sustainability as a purchasing criterion (Gardetti & Torres, 2014), they harbour significant expectations regarding the ethical orientation of luxury brands. Luxury consumers implicitly hold the beliefs that these brands bear the inherent duty of sustainability. Such implicit contract is evidenced by the adverse reactions luxury buyers exhibit upon discovering incongruent practices within luxury brands. Kapferer and Michaut (2020), note that revelations such as the exploitation of cheap labor, inhumane animals' slaughters and the destruction of unsold products rather than their sale at a discounted price, are likely to provoke strong consumer backlash, including boycotts.

2.2.4. Summary of gaps in the literature and Research Questions

The esoteric domain of sustainable luxury, though fraught with challenges, presents a unique opportunity for ethical ascendance. Whilst establishing a robust legal and regulatory framework is paramount for galvanising concerted and substantive efforts towards sustainable development in this sector, by embracing authentic eco-conscious practices, fostering transparency and cultivating consumer trust, luxury brands can metamorphose consumer skepticism into a catalyst for responsible consumption, thereby navigating the a delicate equilibrium between opulence and ecological stewardship. Nonetheless, academic inquiry on this matter remains generally circumscribed and often stagnates in paradoxical conceptualisations, failing to address the intersection of sustainability and luxury from a consumer-oriented perspective.

Within the scholarly discourse, the following lacunae have been identified warranting further exploration:

- Consumer expectations and attitudinal discrepancies: existing literature elucidates a significant dissonance between consumers' professed ethical standards and their actual purchasing behaviours, particularly within the precincts of luxury. This conflict is further exacerbated by consumers' implicit expectations of sustainable commitments of luxury brands which, when contradicted by reality, can lead to significant backlash,

illustrating a complex psychological and behavioural imbalance accentuating the disparity between espoused values and practical decisions.

- Willingness to pay (WTP) paradox: research into consumer economics within the sustainable luxury market presents a perplexing dilemma regarding the willingness to pay for eco-conscious luxury goods and experiences. While some segments demonstrate a readiness to invest more in products that are ethically produced and environmentally sound, broader consumer bases exhibit reluctance, suggesting a misalignment between the perceived value of sustainable practices and their price implications.

In recent years, academic endeavours have progressively concentrated on consumer-centric themes, exploring how diverse socio-demographics, psychological and personality determinants influence actual consumption patterns (S. Banerjee, 2016; Kapferer and Michaut, 2020). This present study is entrenched in this research trajectory, aspiring to address the following research questions:

- How do the Big Five personality traits — Agreeableness, Conscientiousness, Extraversion, Emotional Stability and Openness to Experience — impact consumers' personal commitment to luxury sustainable development and expectations of luxury in sustainability?
- How do expectations of sustainability in luxury modulate the willingness to pay for sustainable luxury products and experiences?
- How does personal commitment to sustainable development affect the willingness to pay for sustainable luxury products?

By addressing these questions, this study seeks to deepen the understanding of the intricate dynamics at the intersection of luxury and sustainability, providing actionable insights for both academic scholarship and industry praxis.

III. Methodology

3.1. Research approach

The conducted study addresses willingness to pay for sustainability across the totality of the luxury realm, particularly examining how such willingness varies among distinct consumer personality profiles based on the widely recognised Five-Factor Model, thereby seeking to decipher such complex interplay.

Attempting to explain this phenomenon within the contextual background explored, the selection of an appropriate research nature, reasoning and method is critical in ensuring alignment with the research objectives, the employment of correct analytical techniques and the tailoring of a research design securing validity and reliability of the conclusions, consequently reinforcing the overarching rationale of the study.

In terms of research nature, three primary categories are commonly considered:

- **Exploratory research:** conducted when limited to no prior search exists on a particular phenomenon (K. Singh, 2007). Such research class seeks to broaden the existing literature by exploring research questions at varying levels of depth to gain preliminary insights and identify potential patterns, hypotheses or relationships, thereby providing a foundational understanding of a problem, whilst not intending to deliver final and conclusive solutions or evidence.
- **Descriptive research:** accurately and systematically captures various aspects of the phenomenon, detailing characteristics and behaviours of a sample population to construct an accurate picture of current or past events, without necessarily probing into why those occurrences exist. It is an effective method to collect data that can inform the development of hypotheses and the proposal of causal associations.
- **Explanatory research:** involving rigorous theory or hypotheses testing using structured methods and experimental designs, it identifies the extent and nature of cause-and-effect relationships when causal evidence is apparent and available. Such approach is designed to dissect complex interactions, aiming to uncover the underlying causes that drive observed phenomena.

Research reasoning approaches can be classified into three distinct forms, each addressing specific facets of empirical inquiry and theoretical analysis:

- Deductive approach or deductive reasoning: the systematic, logical progression from theoretical framework to hypothesis formulation, and from hypothesis to empirical testing through experimentation and observation (J. Wilson, 2010). This method is anchored in deriving hypothesis from established theories, which are then tested rigorously against empirical data to confirm, refute or refine such original theories, thus contributing to the development of the theoretical landscape. Such method emphasises a top-down reasoning process, leveraging broad theoretical constructs to predict and scrutinise causal relationships which are then methodically narrowed down to specific instances, allowing for accurate testing of the theories' predictions (P. M. Gulati, 2009).
- Inductive approach or inductive reasoning: begins with the collection of observational data, devoid of any predefined theories or hypothesis. Throughout the research process this method underscores a bottom-up approach, focusing on identifying patterns, regularities and contingencies within the data, from which theories are subsequently synthesised, thereby embodying a dynamic exploratory avenue in scientific inquiry and theory development. Nonetheless the inductive approach does not entirely discard the use of existing theories when shaping research questions and objectives (M. Saunders et al., 2012). Instead, it utilises such theories as a backdrop for framing the initial inquiries, even though the primary goal is to generate new theoretical understanding directly from the data.
- Abductive approach or abductive reasoning: designed to address the limitations inherent in both deductive and inductive reasoning. Indeed, whereas deductive reasoning is often critiqued for its ambiguity in selecting theories for hypothesis testing, inductive reasoning is limited for its inability to necessarily foster theory-building from empirical data alone (M. Saunders et al., 2012). In this, the abductive approach offers a valuable alternative, initiating the research process with intriguing phenomena that existing theories fail or do not adequately confront and explain. The essence of such reasoning lies in its exploratory nature, where theories are not merely applied or tested, but interconnected insights are drawn to formulate plausible explanations for the observed anomaly. Researchers therefore engage in the iterative process of refinement of their hypothesis and theories based on based on their capacity to elucidate new observations. This in turn, allows for the modification of

existing theories or the proposition of entirely new theoretical perspectives, thus fostering a deeper integration of empirical evidence with theoretical innovation, making it a robust framework for advancing knowledge across various disciplines.

In the domain of research methodology, the two primary approaches underpin the fundamental dichotomy between depth and breadth, exhibiting significant differences in their data collection methods and analysis techniques:

- Qualitative research: primarily focuses on collecting rich non-numerical data, therefore detailed informations and insights obtained through interviews, observations or case studies adept at providing depth, contextual richness and complexity of the subject matter. The analysis in qualitative research is inherently interpretative, distinguished by its emphasis on intensive and prolonged engagement with the research environment.
- Quantitative research: involves gathering a substantial volume of numerical data employing such methods as surveys, controlled experiments and utilising existing statistical data sets. The analysis of this data is more structured and statistical, designed to quantifying problems and predicting outcomes that can be applied broadly across larger populations.

In this study, the adoption of the deductive reasoning approach and quantitative methodology is purposefully chosen to suit the explorative investigation of willingness to pay for sustainable luxury rigorously testing specific hypotheses that are grounded in the Five-Factor Model of personality. Given the limited existing literature scrutinising the intersection of such theoretical domains, through the collection of data via a carefully designed survey, the strategic integration of such approaches effectively leverages statistical power to support or refute the formulated hypotheses, thereby contributing to a deeper understanding of the phenomenon under investigation, whilst offering a clear and systematic pathway from theoretical precedents to empirical verification. Deductive reasoning and quantitative methodology are mutually reinforcing aiming to enhance the validity and reliability of research finding, contributing, finally, to both academic knowledge and future theoretical and practical applications strategies.

3.2. Analytical strategy

3.2.1. Introduction on PLS-SEM

The present study employs Partial Least Squares Structural Equation Modeling (PLS-SEM) as its core analytical methodology. As a second generation statistical method, PLS-SEM represents a sophisticated approach to multivariate analysis, enabling the estimation of complex cause-effect relationships in path model with latent variables. Second generation techniques, also referred to as Structural Equation Modelling (SEM), extend beyond the limitations of traditional first-generations methods, such as multiple regression, logistic regression and analysis of variance, by allowing for the incorporation of unobservable variables, measured indirectly through indicators, and accounting for measurement errors in observed variables, thereby capturing more nuanced and complex constructs (Chin, 1998).

Within the realm of SEM there are two principal approaches:

- **Covariance-Based SEM (CB-SEM):** primarily employed for model fit and theory confirmation (or rejection), this method aims to reproduce how well a proposed theoretical model can estimate the covariance matrix derived for a sample data set. It is particularly suitable for confirmatory research, generally requiring larger samples sizes and assuming normally distributed data.
- **Partial Least Squares SEM (PLS-SEM):** a variance based method focusing on the examination of complex models with multiple indicators, maximising the explained variance of the dependent constructs. Primarily designed for theory development, particularly within exploratory or predictive research settings, PLS-SEM's exceptional flexibility to manage non-normal data distributions and intricate model specifications proves to be crucial for uncovering elaborate unexplored relationships between variables, thus driving the development of new theoretical insights.

Given the research approach of this study, previously detailed thoroughly, PLS-SEM emerges as the most fitting analytical methodology. Employing PLS-SEM, not only enhances the commitment to methodological rigour and depth, and consequently, the accuracy and reliability of the findings, but also allows this study to exploit such technique for generating innovative theoretical contributions, providing a comprehensive framework for analysing and interpreting complex variable interactions

previously unexplored in academic research, thus advancing broader understanding in the field.

The development of this research, according to the PLS-SEM methodology, has been comprehensively guided by the manual of Joseph F. Hair Jr. Et al. (2017) *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*.

3.2.2. Hypothesised path model

In adherence to the PLS-SEM methodology, the first and foremost task to be satisfied is the preparation of the hypothesised path model, pivotal in outlining the research hypotheses and graphically portraying the interrelationships among the variables that are to be scrutinised.

Path models encompass two integral components:

- **The Structural Model:** articulating the relationships between the latent variables, this model defines the theoretical framework that connect these unobservable constructs, forming the backbone of the hypotheses-testing process. In this model, constructs are sequenced from left to right, “positioning independent (predictor) constructs on the left and dependent (outcome) constructs on the right” (J. F. Hair Jr. Et al.; 2017), with such arrangement presuming that constructs on the left precede and predict constructs on the right. While theoretical foundations and logical reasoning should always guide such sequencing in a conceptual model, researchers must rely on their best judgment when the literature is inconsistent or unclear.
- **The Measurement Models:** specifying the relationships between the latent variables and their corresponding measures (i.e. indicators), which are predicted to be the tangible manifestations or causes of such abstract constructs. Establishing a sound measurement theory is imperative to generate reliable and meaningful results from PLS-SEM, indeed, researchers typically employ established measurement approaches that have demonstrated validity, reliability, consistency and comparability in prior studies or are documented in scale handbooks. However, in instances where an established measurement model is unavailable, researchers are required to develop a new set of measures. Additionally, this model demands meticulous measurement differentiation and careful selection, per each set of indicators per construct, between:

- ▶ **Reflective Measurement:** where indicators are considered to be the effects or manifestations of an underlying construct, implying that causality flows from the construct to its measures.
- ▶ **Formative Measurement:** where indicators are depicted as causal variables that collectively form the construct through linear combinations.

In this study, a combination of established theory and researcher discretion has been employed to develop the path model in its entirety. In consideration of the research questions foundational to the research, the following hypotheses have been formulated to design the structural model and to guide the investigation as a whole:

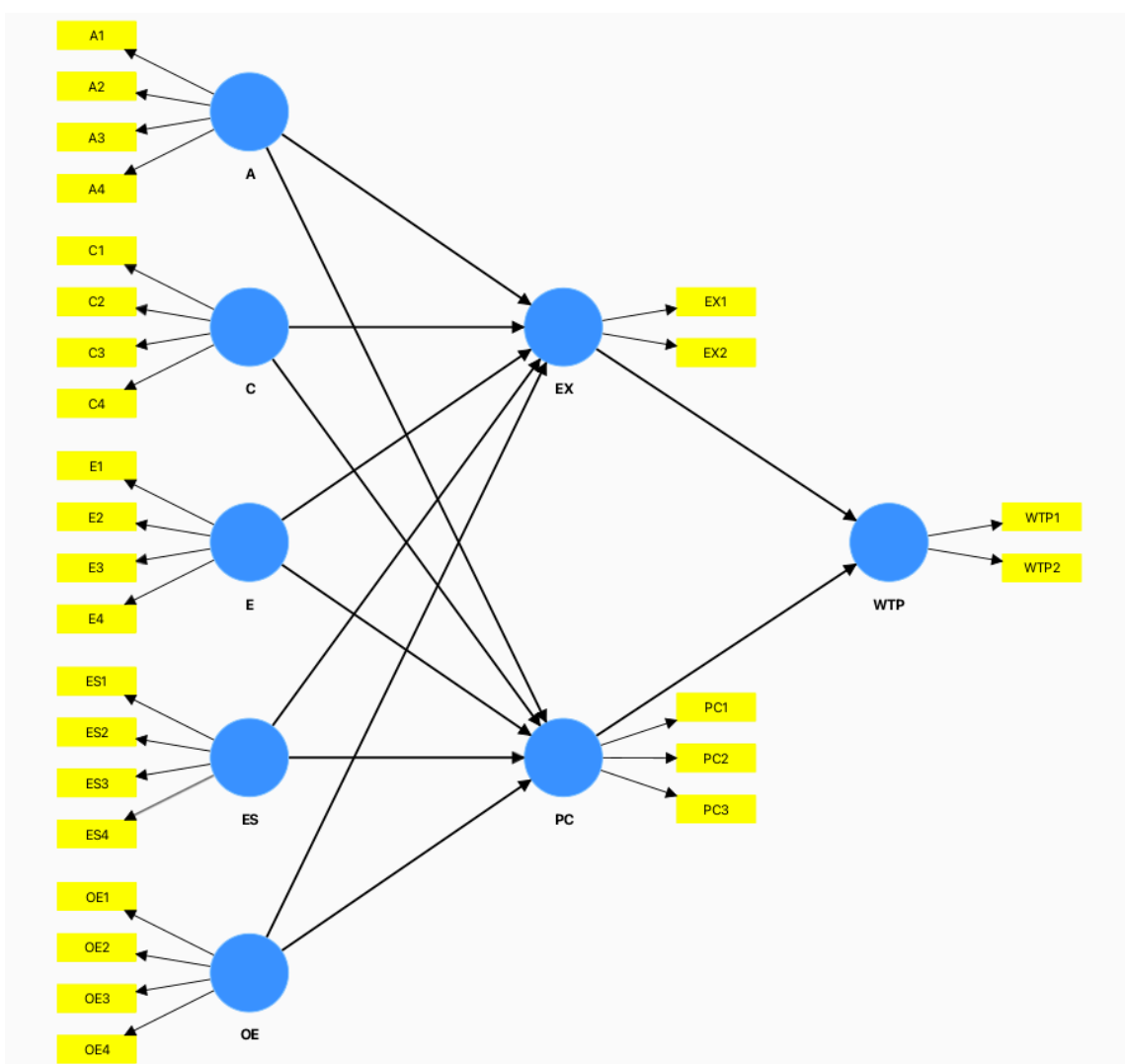
- H1: Agreeableness (A) positively influences Personal Commitment to luxury sustainable development (PC) and Expectations of sustainability in luxury (EX)
- H2: Conscientiousness (C) positively influences Personal Commitment to luxury sustainable development (PC) and Expectations of sustainability in luxury (EX)
- H3: Extraversion (E) positively influences Personal Commitment to luxury sustainable development (PC) and Expectations of sustainability in luxury (EX)
- H4: Emotional Stability (ES) positively influences Personal Commitment to luxury sustainable development (PC) and Expectations of sustainability in luxury (EX)
- H5: Openness to Experience (OE) positively influences Personal Commitment to luxury sustainable development (PC) and Expectations of sustainability in luxury (EX)
- H6: Expectations of sustainability in luxury (EX) positively influences Willingness To Pay for sustainable luxury (WTP)
- H7: Personal Commitment to sustainable development (PC) positively influences Willingness To Pay for sustainable luxury (WTP)

The measurement model, meticulously developed alongside the Guidelines for Choosing the Measurement Model Mode (J. F. Hair Jr. et al., 2017) and the survey structure detailed in Subparagraph 3.4.2., ensures that the items carefully derived from literature, displayed in Appendix A, accurately reflect the theoretical constructs and provide a robust basis for empirical testing.

The hypotheses as constructs, and their items as indicators, are visually summarised in the complete hypothesised path model depicted in Figure 4, with constructs and items labeled for clarity and immediacy.

In the Structural Model, Extraversion (E), Agreeableness (A), Conscientiousness (C), Openness to Experience (OE), Extraversion (ES) serve as independent exogenous latent variables. Willingness To Pay for sustainable luxury (WTP) is positioned as the ultimate dependent endogenous latent variables, whereas Personal Commitment to sustainable development (PC) and Expectations of sustainability in luxury (EX) operate both exogenously and endogenously. In the Measurement Model, all latent variables have been measured reflectively.

Figure 4: Hypothesised Path Model



Source: SmartPLS4

3.3. Data collection

Data collection in quantitative research is a meticulously structured process entailing the systematic acquisition of numerical data to address specific well-defined research questions, thereby ensuring the reliability and validity of the study's outcomes. In this context, data collection is predominantly reliant on instruments designed to facilitate objective measurement across diverse samples; tools such as surveys, interviews, and structured observations tailored to gather measurable, quantifiable data.

Researches often employ both primary and secondary data sources to enrich their analyses and enhance their studies' integrity:

- Primary data: collected firsthand by the researcher and configured for the specific purpose and needs of the study, entailing the conducting of experiments, the deployment of sensors to gather real-time data, or the administration surveys directly to participants. Such approach provides the acquisition of current and directly relevant insights, offering therefore, immediate perspectives on the topic under investigation (J. W. Creswell, 2014).
- Secondary data: involving the use of existing information previously collected by other researchers or organisations. These sources include government statistics and past research findings available in databases and literature, offering valuable historical context whilst complementing primary data findings, thereby ensuring the solidity and comprehensiveness of the research.

Meticulous planning is essential in quantitative studies to ensure that data collection methods and sources are aligned precisely with the research objectives and are capable of accurately capturing the required necessary data. Given that the strategical employment of both data sources enhances the depth and breadth of analysis, offers a more exhaustive exploration of the research topic and fosters a greater understanding of the research questions, enabling, therefore the derivation of meaningful practical and theoretical conclusions, in this study both sources have been considered in distinct ways. This research prioritises primary data collection through the employment of a survey, directly addressing the research questions at the source leading to new data generation, therefore aptly fitting the study's exploratory-deductive-quantitative research design. Nonetheless, secondary data has been gathered to perform an extensive

review of existing literature, integrating field experts' insights via articles sourced from the following databases: Business Source, SAGE, ScienceDirect, Springer and Wiley.

Considering the pivotal role of primary data in this research, its collection is a fundamental aspect significantly shaping the quality, effectiveness, depth and applicability of the findings. Such process can be tailored in various ways to best address the specific research questions, objectives of the study and the nature of the data under scrutiny. Common methods for collecting primary data include:

- Cross-sectional design: involving collecting data at a single point in time to assess the prevalence of various factors or to capture a snapshot of characteristics or behaviours within a population.
- Longitudinal design: involving collecting data over an extended period, therefore utilised to observed changes and developments in the subject matter over time, making it ideal for studying trends, long-term effects or evolutions within a given specific phenomenon.
- Retrospective design: involving collecting data by eliciting respondents' recollections of past events or experiences, as well as examining existing records, to consequently identify trends, outcomes or associations from historical data.

Finally, in the description of the methodology for data collection, the cross-sectional design was adopted, recognised by its documented efficacy in exploratory studies and precisely aligned with the specific demands of this study's research questions and overarching objectives. The data collection design in its entirety was engineered to enhance the robustness and reliability of the findings concerning the analysis of the willingness to pay for sustainable luxury intertwined with the Five-Factor Model of personality profiles, serving these immediate analytical requirements, whilst ultimately trying to configure a solid foundation for future theoretical investigations and knowledge advancements in the broader field of sustainability.

3.4. Survey design

3.4.1. Sampling policy

In research, the role of sampling is integral to secure data relevance and accuracy, particularly when tailored to address specific research questions and hypotheses.

Sampling involves the strategic selection of a subset from the population of interest, with such subset intended to facilitate insights' extrapolation and enable the drawing of inferences about broader population parameters (D. P. Turner, 2019). The selection a representative sample, defined in line with the structured survey, therefore accurately reflecting the phenomena under investigation is critical for robust data analysis and interpretation, establishing sampling as pivotal component of study design, serving to minimise bias and ensure the generalisability of findings.

Given the focused scope of the study, purposive sampling was deemed as the most appropriate approach, as it selects participants whose characteristics align closely with the research's distinct needs to ensure data relevance to the questions and hypotheses under investigation (I. Etikan et al., 2016).

The survey was specifically designed to target consumers across all various segments of the luxury market (i.e. luxury cars, personal luxury goods, luxury hospitality, fine wine and spirits, gourmet foods and fine dining, high-end furniture and housewares, fine art, private jets and yachts, and luxury cruises). The preface of the questionnaire specified that affiliation with any of these segments would classify the respondent as a luxury consumer. Such target group was selected due to their direct engagement with the relevant market, as their firsthand experiences and insights invaluable for understanding and analysing the dynamics and nuances of sustainable luxury consumption. Other critical considerations included ensuring that respondents had a clear understanding of the survey structure and its requirements, along with employing effective and concise question wording and appropriate response options, all essential for collecting reliable and meaningful data efficiently.

3.4.2. Survey structure and release

The survey was meticulously structured to ensure comprehensive coverage of the research topics whilst maintaining clarity and focus to maximise respondent engagement and data quality. The questionnaire was rigorously developed by leveraging specific constructs and items derived from existing literature, ensuring both relevance and scientific rigor, with each section therefore crafted based on well-established theoretical frameworks and contextually relevant empirical studies. For further details on such constructs, items and their sources please refer to Appendix A. The

development process also involved iterative testing and refinement of survey items through pilot testing with a small subset of the target population to identify ambiguities, improve clarity and preventing potential phrasing biases. The final survey instrument, detailed in Appendix B, was thus a product of synthesis of existing knowledge and targeted adaptation.

Prior to the survey's commencement, instructions were provided to guide respondents on how to answer the questions effectively along with a brief introduction outlining the study's purpose and an assurance of confidentiality, which generally may help to establish trust and encourage honest responses. The main body of the survey was divided into several section each targeting specific aspects of the research.

The first section of the survey employed a filter question to identify the target population based on their consumption of luxury products and experiences, seamlessly transitioning into a detailed examination of the compatibility between luxury and sustainability. Subsequently, a significant section of the survey was then devoted to profiling the respondents' personalities using the Five Factor Model (FFM), incorporating 20 items sourced from L. Goldberg (1999) and T. Mahlamäki (2010). Originated in the early 1980s by Lewis Goldberg, the FFM has undergone various development thereafter, yet remains the most widely adopted theory for trait-based personality research, despite the emergence of the competing alternative HEXACO model, including Honesty-Humility as an additional factor in recent years (Bourdage et al. 2018; Strouts et al. 2017). Consequently, for the present study, the FFM was selected as the framework to assess personality traits due to its extensive validation and acceptance in the field of personality research (Goldberg, 1999; Goldberg et al., 2006).

All survey questions were structured as affirmation-based (statements) with responses measured on a 7-point Likert scale to ensure a consistent and logical valuation scale throughout the survey. On this scale, a rating of 1 corresponds to "disagree," a rating of 4 represents a "neutral" stance, and a rating of 7 indicates "agree". The scale was adapted from the studies of J. Habel. et al. (2016) and C. Homburg et al. (2005), with modifications on the phrasing of the items to ensure coherence with the specific research topic of this study.

Finally, control questions were incorporated to assess the validity of each response and to ensure that respondents remained attentive throughout the survey completion process.

Furthermore, the final section of the questionnaire collected socio-demographic data, gathering information such as age, income, educational background, and other pertinent details, contributing to a comprehensive profile of the participants' characteristics.

Data collection occurred in April 2025 through an online survey, with participants recruited via a variety of channels including social networks such as Instagram, Twitter, Facebook and WhatsApp. Although such recruitment method does not ensure a fully representative sample, the online survey approach was selected for its efficiency in gathering diverse and comprehensive information within a limited timeframe (M. E. McCullough, 1998). Snowball sampling was employed, leveraging on interpersonal connections to expand the participant pool and encouraging respondents to share the survey further. Out of 99 respondents surveyed, 89 were identified as luxury consumers. After the exclusion of questionnaires with erratic responses, 88 were deemed suitable for analysis, forming the final sample size for the study.

3.5. Quality and ethics compliance

In academic research, the adherence to high standards of quality and rigorous ethical guidelines is of foremost importance, ensuring the integrity, credibility and significance of the study's outcomes and thus is indispensable in any research endeavour. Research studies exhibit significant variability in quality due to the employment of diverse methodological approaches, survey designs, data collection methods, analytical techniques and interpretation strategies to investigate specific phenomena. Such variability underscores the necessity of clearly articulating, as detailed throughout this chapter, the rationale behind the selection of specific criteria for all the encompassed methods, reflecting the commitment on quality assurance, crucial for maintaining the standards of validity and reliability necessary to preserve data integrity. In this context, it is also significant to note that the foundational literature for this research is sourced from journal listed in the ABS AJG 2021 ranking, guaranteeing all referenced materials' adherence to the highest standards of academic rigour and their substantial contribution to the scholarly discourse within their relevant field. By drawing from reputable sources, the study benefits from inherent diligence and credibility associated with the publications, thereby seeking to enhance the overall quality and reliability of its findings.

With respect to ethical standards, the research was conducted with resolute commitment to the protection and rights of all participants. Indeed, exhaustive details about the research's purpose, procedures, and participants' rights, including their right to withdraw at any moment without penalty, was clearly communicated prior to the initiation data collection. Furthermore, ethical considerations were extended to the treatment of the data collected as participants were informed about the protocols for the subsequent use, storage, and protection of their information, whilst guarantees regarding the anonymity and confidentiality of their personal data were provided. Such process was instrumental in maintaining ethical standards, safeguarding participants' rights whilst fortifying the trust and integrity of the research process and its outcomes.

IV. Empirical Findings

4.1. Data examination

A fundamental consideration in PLS-SEM methodology is that of meticulous data examination, a critical preliminary step before proceeding with any model calculations. Such phase entails a comprehensive evaluation of the dataset generated from the survey responses to identify and address issues such as missing data, suspicious response patterns, outliers and data distribution anomalies.

The online data collection approach employed in this research effectively mitigated the issue of missing data. The survey platform was configured to prevent respondents from advancing to the next question without completing the current one. While this may have caused some participants to exit the survey prematurely, it ensured that there were no incomplete responses registered in the final dataset.

A thorough inspection for suspicious response patterns was conducted, with no instances of straight lining, diagonal lining or alternating extreme pole responses detected. To safeguard such patterns, screening questions and control questions were integrated into the survey structure, as recommended by Joseph F. Hair Jr. Et al. (2017). These were instrumental in maintaining the integrity of the sampling process and ensuring the reliability of the collected data respectively.

Outlier diagnostics were performed using IBM SPSS Statistics following the guidelines of Sarstedt and Mooi (2014). This analysis revealed no significant outliers that could potentially distort the results. Indeed, outliers were identified and assessed for their impact on the dataset, but none were deemed severe enough to warrant removal.

In terms of data distribution, non-normal distributions can significantly distort the outcome of multivariate analyses. While PLS-SEM is more robust to deviations from normality compared to other methodologies, it is still imperative to scrutinise the data distribution carefully. Absolute skewness and/or kurtosis values exceeding 1 as absolute value are indicative of non-normal data and warrant closer examination. In this study, Table 1 provides a detailed account of data distribution abnormalities (highlighted). Indicators A3 and EX2 were retained despite deviations, but indicator C3 was excluded from the path model due to its excessively high kurtosis level, which could compromise the validity of the results.

Table 1: Kurtosis and Skewness Levels for all Indicators

Name	Excess kurtosis	Skewness
A1	-0.506	-0.408
A2	-0.612	-0.213
A3	1.325	-1.263
A4	-0.442	-0.372
C1	-0.080	-0.814
C2	0.332	-0.894
C3	2.593	-1.371
C4	-0.757	-0.456
E1	0.043	-0.694
E2	-0.840	-0.466
E3	-0.465	0.465
E4	-0.376	-0.141
ES1	-0.229	-0.585
ES2	-0.840	0.006
ES3	-0.925	-0.196
ES4	-0.711	-0.416
EX1	-0.981	0.404
EX2	0.470	-1.128
OE1	-0.504	-0.619
OE2	-0.680	-0.076
OE3	-0.649	-0.479
OE4	-0.283	-0.645
PC1	0.572	-0.423
PC2	0.597	-0.854
PC3	-0.476	-0.758
WTP1	-0.681	-0.343
WTP2	-0.676	-0.137

Source: SmartPLS4

By rigorously addressing these aspects of data quality, the study ensures that the subsequent PLS-SEM analysis is based on a robust and reliable dataset. This careful preliminary examination is crucial for the accurate and meaningful interpretation of the complex relationships modelled in the research, thereby enhancing the overall validity and reliability of the study's findings.

4.2. Reflective Measurement Model analysis

Crucial to the assessment of results' quality, PLS-SEM model estimation is a systematic methodical process delivering empirical metrics that unveil the interrelations between indicators and constructs (measurement models) as well as among the constructs themselves (structural model). These metrics enable the comparison of theoretical models with observed data, thereby determining the alignment between theoretical framework aligns and empirical reality.

In this analytical context, the evaluation of reflective measurement models represents a critical initial phase. Ensuring that constructs are precisely represented by their indicators, this phase relies on the rigorous analysis of internal consistency, convergent validity and discriminant validity.

4.2.1. Internal Consistency Reliability

The criterion of Internal Consistency is conventionally estimated using Chronbach's Alpha, which provides a reliability estimate derived from the intercorrelations among observed indicator variables. This measure is defined by the formula below.

Formula 1: Chronbach's Alpha

$$Cronbach's\ \alpha = \left(\frac{M}{M-1} \right) \left(1 - \frac{\sum_{i=1}^M s_i^2}{s_r^2} \right)$$

Source: Joseph F. Hair Jr. Et al. (2017), A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM).

Formula 1 represents the computation of Chronbach's Alpha, where s_i^2 denotes the variance of indicator variable i within a specific construct comprising M indicators ($i =$

1, ..., M), and s_i^2 represents the variance of the sum of all M indicators for that construct.

Cronbach's alpha operates under the assumption that all indicators exhibit equal reliability, however, PLS-SEM prioritises the indicators according to their individual reliability. Additionally, Cronbach's alpha is sensitive to the number of items in the scale and generally underestimates the internal consistency reliability, thus serving as more of a conservative measure. Given such limitations, a more appropriate measure of reliability of the criterion is composite reliability, which accounting for the different outer loadings of indicator variables, is calculated as follows:

Formula 2: Composite Reliability

$$\rho_c = \frac{\left(\sum_{i=1}^M l_i\right)^2}{\left(\sum_{i=1}^M l_i\right)^2 + \sum_{i=1}^M \text{var}(e_i)}$$

Source: Joseph F. Hair Jr. Et al. (2017), A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM).

In Formula 2, l_i represents the standardised outer loading of the indicator variable i within a specific construct with M indicators, e_i is the measurement error of indicator variable i , and $\text{var}(e_i)$ denotes the variance of the measurement error, defined as $1 - l_i$.

Composite reliability, akin to Cronbach's alpha, varies from 0 to 1, with higher values indicating greater reliability. In exploratory research contexts, values between 0.60 to 0.70 are deemed acceptable, while for more advanced stages of research, values between 0.70 and 0.90 are considered satisfactory. Values exceeding 0.90 are undesirable as they suggest redundancy among indicators, consequently compromising construct's validity. Conversely, values below 0.60 indicate insufficient internal consistency reliability.

In this research, the criterion of Internal Consistency Reliability is generally satisfied, as demonstrated in Table 2. Although a few values exceed or fall below the established satisfactory thresholds, their moderate deviations remain within acceptance thresholds and will be taken into consideration without being heavily weighted in the overall evaluation.

Table 2: Construct Reliability Analysis

	Chronbach's Alpha	Composite Reliability
A	0.875	0.913
C	0.778	0.864
E	0.712	0.815
ES	0.744	0.834
EX	0.639	0.844
OE	0.861	0.904
PC	0.719	0.842
WTP	0.668	0.857

Note: observations highlighted in grey indicate weaker internal consistency reliability.

Source: SmartPLS4

4.2.2. Convergent Validity

The next criterion to be investigated within reflective measurement models analysis is that of Convergent Validity, assessing the degree to which a measure is positively correlated with alternative measures of the same construct.

This evaluation can be approached through Outer Loadings. Ranging from -1.0 to +1.0, higher absolute values of outer loadings on a construct indicate that the associated indicators share a significant amount of common variance, effectively captured by the construct itself. The magnitude of these outer loadings, often referred to as indicator reliability, reflects the consistency and accuracy of the indicators in representing the construct. For optimal reliability, all indicators' outer loadings should be statistically significant. Ideally, standardised outer loading should be 0.708 or higher, however, weaker outer loadings (<0.70) are common (Hulland, 1999). Whereas indicators with loadings between 0.40 and 0.70 should be considered for removal only if their deletion increases composite reliability beyond the threshold, indicators with loadings below 0.40 should always be eliminated (Bagozzi, Yi, & Philipps, 1991; Hair et al., 2011).

Adhering to these parameters, in this research indicators E3 and ES1 have been deleted, whilst all values falling below the established satisfactory thresholds will be taken into consideration without significantly influencing the overall evaluation (refer to Table 3).

Table 3: Outer Loadings

	A	C	E	ES	EX	OE	PC	WTP
A1	0.945							
A2	0.942							
A3	0.705							
A4	0.792							
C1		0.763						
C2		0.911						
C4		0.794						
E1			0.711					
E2			0.947					
E3			0.087					
E4			0.638					
ES1				-0.261				
ES2				0.835				
ES3				0.904				
ES4				0.607				
EX1					0.903			
EX2					0.803			
OE1						0.853		
OE2						0.856		
OE3						0.868		
OE4						0.775		
PC1							0.821	
PC2							0.792	
PC3							0.785	
WTP1								0.892
WTP2								0.839

Note: observations highlighted in grey indicate weaker convergent validity. Those also highlighted in red were removed due to falling below acceptance thresholds .

Source: SmartPLS4

A second approach to assess Convergent Validity is through the Average Variance Extracted (AVE), defined as the grand mean value of the squared loadings of the indicators associated with the construct. AVE is equivalent to the communality of a construct and is determined using the following formula.

Formula 3: Average Variance Extracted (AVE)

$$AVE = \left(\frac{\sum_{i=1}^M l_i^2}{M} \right).$$

Source: Joseph F. Hair Jr. Et al. (2017), A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM).

Applying the same rationale as with individual indicators, an AVE value of 0.50 or higher indicates that, on average, the construct accounts for more than half of the variance of its indicators. Conversely, an lower AVE value indicates that, on average, the construct accounts for less variance than what remains in the error terms of the items.

In this study, the elimination of indicators E3 and ES1 has resulted in outer loadings and AVE values, detailed in Table 4, which confirm the satisfaction of the Convergent Validity criterion.

Table 4: Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
A	0.726
C	0.681
E	0.603
ES	0.632
EX	0.730
OE	0.703
PC	0.639
WTP	0.750

Source: SmartPLS4

4.2.3. Discriminant Validity

The final criterion under scrutiny in the analysis of reflective measurement models is that of Discriminant Validity. Such criterion quantifies the extent to which a construct is empirically distinct, ensuring it captures phenomena not represented by other constructs within the model.

Cross-loadings are typically utilised as the initial approach for assessing the discriminant validity of indicators. Specifically, an indicator's outer loading on its associated construct should surpass all of its cross-loadings with other constructs.

Taking this study output as an example (referenced in Table 5 below), the initial four items, A1 to A4, are intended to measure construct A. It is anticipated that these items exhibit stronger loadings on their parent construct than any other indicator. In this case, the confirmation of this expectation across all items and their respective constructs, affirms the presence of Discriminant Validity. Conversely, if evidence would indicate otherwise, suggesting an absence of discriminant validity where the discrepancy exceeds a minimum threshold of 0.10, such problematic indicators should be identified and excised.

Table 5: Cross-Loadings

	A	C	E	ES	EX	OE	PC	WTP
A1	0.945	0.213	0.387	0.047	-0.020	0.179	0.331	0.296
A2	0.942	0.233	0.369	0.100	-0.004	0.183	0.307	0.246
A3	0.705	0.377	0.414	0.126	-0.019	0.450	0.139	-0.020
A4	0.792	0.152	0.384	0.129	0.116	0.186	0.115	0.144
C1	0.354	0.763	0.257	0.236	-0.062	0.384	-0.009	-0.047
C2	0.178	0.910	0.177	0.264	-0.187	0.170	-0.039	-0.128
C4	0.252	0.794	0.053	0.329	-0.085	0.128	0.055	-0.075
E1	0.265	0.096	0.709	-0.006	0.033	0.343	-0.026	-0.132
E2	0.439	0.154	0.948	0.006	0.160	0.192	-0.023	-0.107
E4	0.234	0.201	0.638	0.024	0.064	0.297	-0.025	-0.150
ES2	0.231	0.237	0.162	0.862	-0.145	0.074	-0.176	-0.037
ES3	-0.050	0.304	-0.116	0.896	-0.177	0.092	-0.130	-0.099

ES4	0.001	0.303	-0.155	0.593	-0.059	0.286	0.000	0.097
EX1	-0.033	-0.224	0.159	-0.189	0.904	0.107	0.177	0.193
EX2	0.056	-0.015	0.088	-0.094	0.802	-0.004	0.362	0.287
OE1	0.196	0.232	0.222	0.047	-0.007	0.853	0.185	0.140
OE2	0.188	0.150	0.258	0.009	-0.048	0.855	0.274	0.239
OE3	0.235	0.223	0.235	0.207	0.189	0.868	0.241	0.277
OE4	0.224	0.187	0.248	0.112	0.077	0.775	0.169	0.234
PC1	0.261	0.107	0.211	-0.032	0.288	0.348	0.822	0.448
PC2	0.263	-0.095	-0.069	-0.189	0.195	0.149	0.791	0.597
PC3	0.222	0.091	0.022	-0.071	0.297	0.302	0.785	0.549
WTP1	0.196	-0.150	-0.205	-0.093	0.243	0.235	0.691	0.892
WTP2	0.220	-0.034	-0.017	0.003	0.219	0.242	0.489	0.839

Note: observations highlighted in bold indicate their association with the corresponding parent construct.

Source: SmartPLS4

The Fornell-Larcker criterion as a second approach to assessing discriminant validity, compares the square root of the AVE values with the latent variable correlations. Specifically, as per the rationale employed with cross-loadings, the square root of each construct's AVE must be greater than its highest correlation with any other construct. Taking this study output as an example (consult Table 6 below), for the construct of Agreeableness A, the square root of its variance, which is 0.726, equals to 0.852, a value higher than any of its other correlations to other constructs.

Table 6: Fornell-Larcker Criterion

	A	C	E	ES	EX	OE	PC	WTP
A	0.852							
C	0.294	0.825						
E	0.442	0.181	0.776					
ES	0.099	0.329	0.005	0.795				
EX	0.006	-0.151	0.138	-0.178	0.855			

OE	0.267	0.243	0.287	0.116	0.069	0.839		
PC	0.307	0.046	0.059	-0.128	0.325	0.327	0.799	
WTP	0.226	-0.107	-0.136	-0.059	0.269	0.273	0.670	0.866

Note: observations highlighted in bold indicate their association with the corresponding parent construct.

Source: SmartPLS4

Recent research have critically examined the performance of cross-loadings and the Fornell-Larcker criterion in assessing discriminant validity, founding both methods largely unreliable and ineffective (Henseler et al., 2015). Cross loadings fail to detect discriminant validity issues when two constructs are perfectly correlated, thus limiting their utility in empirical research. Similarly, the Fornell-Larcker criterion performs very poorly, especially when the variance in indicator loadings is minimal (i.e. ranging from 0.60 to 0.80). Although its effectiveness slightly improves with greater variance among indicator loadings, it generally remains insufficient for assessing reliable discriminant validity.

To address these limitations, Henseler et al. (2015) introduced the Heterotrait-Monotrait ratio (HTMT): the ratio comparing the means of all cross-constructs correlations (i.e., the heterotrait-heteromethod correlations) to the geometric mean of the correlations of indicators measuring the same construct. Henseler et al. (2015) suggest a threshold of 0.90 if the path model includes conceptually similar constructs, therefore, values above 0.90 indicate a lack of discriminant validity. For models with constructs which are conceptually more distinct, a more conservative threshold value of 0.85 is encouraged.

However, PLS-SEM refuses any distributional assumptions, such as normality, rendering standard parametric tests inapplicable for evaluating the significance of the HTMT statistic. In this context, PLS-SEM relies on a nonparametric bootstrapping to generate a distribution of the HTMT statistic and assess the significance of coefficients. This procedure involves randomly drawing subsamples from the original dataset, typically processing around 5,000 to ensure reliable results. The parameters estimated from these subsamples are used to compute standard errors and approximate the sampling distribution, which in turn helps establish a certain level of confidence interval (i.e.. 95%), predicting where the true HTMT population value will fall. An interval

containing the value of 1, suggests a lack of discriminant validity, conversely, its exclusion indicates empirical distinctness between the constructs.

The positive output of this specific analysis, as demonstrated in Table 7, do not further require to address lack of discriminant validity resolutions, which given the extensive scope and depth required to properly be addressed, could potentially detract for the primary analysis, diminish the coherence of the overall analysis and exceed beyond the scope of this study.

Given the positive results across all pertinent analyses of this matter, id est Cross Loadings, Fornell-Larcker Criterion and HTMT, Discriminant Validity is confidently confirmed.

Table 7: HTMT Confidence Interval — Bootstrapping

	HTMT	95% Confidence Intervals
C ↔ A	0.410	[0.226, 0.643]
E ↔ A	0.542	[0.331, 0.757]
E ↔ C	0.283	[0.170, 0.556]
ES ↔ A	0.199	[0.140, 0.469]
ES ↔ C	0.484	[0.280, 0.685]
ES ↔ E	0.267	[0.166, 0.588]
EX ↔ A	0.101	[0.093, 0.390]
EX ↔ C	0.164	[0.112, 0.490]
EX ↔ E	0.192	[0.109, 0.513]
EX ↔ ES	0.218	[0.103, 0.571]
OE ↔ A	0.337	[0.152, 0.603]
OE ↔ C	0.337	[0.199, 0.562]
OE ↔ E	0.447	[0.241, 0.674]
OE ↔ ES	0.226	[0.153, 0.498]
OE ↔ EX	0.155	[0.110, 0.405]
PC ↔ A	0.358	[0.165, 0.666]
PC ↔ C	0.193	[0.120, 0.484]
PC ↔ E	0.187	[0.144, 0.525]

PC ↔ ES	0.181	[0.125, 0.471]
PC ↔ EX	0.506	[0.227, 0.817]
PC ↔ OE	0.409	[0.215, 0.651]
WTP ↔ A	0.279	[0.149, 0.631]
WTP ↔ C	0.138	[0.088, 0.419]
WTP ↔ E	0.229	[0.133, 0.579]
WTP ↔ ES	0.149	[0.101, 0.453]
WTP ↔ EX	0.428	[0.161, 0.715]
WTP ↔ OE	0.349	[0.157, 0.662]
WTP ↔ PC	0.349	[0.642, 0.998]

Source: SmartPLS4

4.3. Structural Model analysis

The evaluation of the structural model is a crucial intricate component of PLS-SEM involving the rigorous analysis of the relationships and constructs delineated within the model. This assessment allows to discern the model's predictive capabilities concerning one or more target constructs. The structural model essentially operationalises the theoretical constructs and hypothesised relationships posited in the path model, providing a robust framework for empirical testing. In this, the essentials tests for a thorough assessment include:

- **Collinearity:** performed to identify potential collinearity issues among predictor variables in the model. Elevated levels of collinearity can severely distort the estimation of path coefficients, resulting in to unreliable and unstable outcomes.
- **Path Coefficients:** instrumental in evaluating the strength and significance of the postulated relationships between constructs, providing insights into the direction and magnitude of such relationships, thereby enhancing the understanding go the model's structural integrity.
- **Coefficient of Determination (R^2 value):** quantifying the amount of variance in the dependent variable accounted for by the independent variables, offering a gauge of the model's explanatory power and its synopsis of the relationships' underlying dynamics.

- Effect Size (f^2): measuring the impact of a predictor variable on the R^2 value of a dependent variable, thus assessing the magnitude of its influence within the model. It aids in elucidating the practical significance of a predictor, beyond its mere statistical significance.

Stone-Geisser’s Q^2 value test, as described by Joseph F. Hair Jr. Et al. (2017) in A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM), could not be executed as SmartPLS v4.1.0.2. has discontinued support for the blindfolding procedure and removed the requisite algorithm.

4.3.1. Collinearity assessment

To assess collinearity, Variance Inflation Factor (VIF) values are employed, involving a detailed examination of each set of predictor constructs across different segments of the structural model. Tolerance values exceeding 5 in the predictor constructs are regarded as indicative of critical collinearity levels. Should such critical levels be suggested by VIF guidelines, resolution considerations may include the elimination of constructs, merging predictors into a unified construct, or the creation of higher-order constructs to effectively address collinearity concerns.

In this study, as proven by Table 8, no collinearity issues were detected, thereby affirming the structural integrity and robustness of the analytical framework.

Table 8: Collinearity Statistics (VIF) - Inner Model

	A	C	E	ES	EX	OE	PC	WTP
A					1.340		1.340	
C					1.249		1.249	
E					1.299		1.299	
ES					1.129		1.129	
EX								1.118
OE					1.156		1.156	
PC								1.118
WTP								

Source: SmartPLS4

4.3.2. Structural Model Path Coefficients

The structural model elucidates the hypothesized relationships among constructs through path coefficients, which have standardized values to typically range between -1 and $+1$, though deviations from these bounds can occur. Estimated path coefficients nearing $+1$ indicate robust positive relationships (usually statistically significant), just as negative values signal strong inverse associations. Significance of these coefficients hinges on their standard errors, determined via the bootstrapping procedure outlined in Subparagraph 4.2.3., calculating empirical t-values and p-values for all structural path coefficients. A coefficient is deemed statistically significant if its empirical t-value exceeds the critical threshold, which at a standard 5% significance level has a critical value of 1.96 for two-tailed tests. Correspondingly, a p-value under 0.05 affirms the significance of the relationship at the same level. Additionally, if a confidence interval for an estimated path coefficient excludes zero, the null hypothesis (the path coefficient equals zero), is rejected, assuming a significant effect.

In this study, the entirety of this statistical framework is considered for path coefficients relevance, which as confirmed by the data presented in Table 9, ensures the statistical significance for the critical interactions “A \rightarrow PC”, “OE \rightarrow PC” and “PC \rightarrow WTP” within the model.

Table 9: Path Coefficients, T values, P values, Confidence Intervals (Bias Corrected)

	Path Coefficients	T-statistics (IO/StDev)	P values	95% Confidence Intervals
A \rightarrow EX	-0.027	0.177	0.860	[-0.300, 0.285]
A \rightarrow PC	0.325	2.760	0.006	[0.124, 0.558]
C \rightarrow EX	-0.145	0.823	0.410	[-0.387, 0.297]
C \rightarrow PC	-0.036	0.291	0.771	[-0.269, 0.212]
E \rightarrow EX	0.153	0.793	0.428	[-0.356, 0.406]
E \rightarrow PC	-0.169	1.199	0.231	[-0.457, 0.063]
ES \rightarrow EX	-0.138	0.872	0.383	[-0.366, 0.269]
ES \rightarrow PC	-0.185	1.184	0.237	[-0.401, 0.241]
EX \rightarrow WTP	0.058	0.570	0.569	[-0.144, 0.255]

OE → EX	0.083	0.531	0.596	[-0.247, 0.346]
OE → PC	0.318	3.031	0.002	[0.107, 0.517]
PC → WTP	0.651	8.925	0.000	[0.475, 0.772]

Note: observations highlighted in bold indicate statistical significance.

Source: SmartPLS4

4.3.3. Coefficient of Determination (R^2 Value)

The coefficient of determination, R^2 value, is the most prevalent metric for evaluating the predictive power of a structural model, quantifying the extent to which a specific endogenous construct's actual values correlate with its predicted values, calculated as their squared correlation. This coefficient ranges from 0 to 1, where higher values denote greater predictive accuracy. However, establishing a universally applicable benchmarks for acceptable R^2 values is challenging, as these heavily rely on the model's complexity and the particular research discipline.

To mitigate potential biases favouring complex models, the adjusted coefficient of determination, R^2_{adj} , is employed. Such criterion takes into account the number of exogenous constructs and the sample size, refining the R^2 value to accurately reflect the true explanatory power of the model. Specifically, R^2_{adj} value decreases with each additional explanatory construct and adjusts for the sample size, effectively penalizing the inclusion of exogenous contracts that do not significantly contribute to explaining variance. The interpretation of R^2_{adj} should diverge from that of the traditional R^2 , accommodating for these nuances.

Formula 4: Average Variance Extracted (AVE)

$$R^2_{adj} = 1 - (1 - R^2) \cdot \frac{n-1}{n-k-1}$$

Source: Joseph F. Hair Jr. Et al. (2017), A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM).

In Formula 4, the formal definition R^2_{adj} is presented, where n is the sample size and k is the number of exogenous latent variables predicting the endogenous latent variable under consideration.

Table 10: Coefficients of Determination

	R^2	R^2 adjusted
EX	0.073	0.011
PC	0.216	0.164
WTP	0.451	0.437

Note: observations highlighted in bold indicate statistical significance.

Source: SmartPLS4

As evidenced by Table 10 above, for both determination coefficient value types, only the explanatory and predictive power of PC and WTP may be deemed significant in this research.

4.3.4. Effect Size f^2

In addition to assessing the R^2 values for all endogenous constructs, evaluating the substantive impact of an omitted exogenous construct involves observing the variation in R^2 values when said construct is excluded from the model. Such approach, calculating the f^2 effect size, is gaining favor due to its precision in measuring influence. The f^2 effect size is determined by comparing the R^2 values when an exogenous latent variable is included ($R^2_{included}$) and excluded ($R^2_{excluded}$) from the model, therefore necessitating the estimation of the PLS path model twice. Effect size values of 0.02, 0.15 and 0.35 represent small, medium and large impacts of the exogenous latent variable on the endogenous construct respectively (Cohen, 1988). Values less than 0.2 are indicative of a negligible effect.

For this research, the analysis reveals that only the effects of E on PC, ES on PC and PC on WTP reach levels of significance according to their respective f^2 values, as portrayed by Table 11 below.

Table 11: f^2

	A	C	E	ES	EX	OE	PC	WTP
A					0.001		0.101	
C					0.018		0.001	
E					0.019		0.028	
ES					0.018		0.039	
EX								0.005
OE					0.006		0.112	
PC								0.690
WTP								

Note: observations highlighted in bold indicate statistical significance.

Source: SmartPLS4

V. Discussion

5.1. Interpretation of findings

5.1.1. Measurement Model results evaluation

The meticulous interpretation of the measurement model within this study's PLS-SEM path model is diligently executed to validate the internal consistency reliability, convergent validity, and discriminant validity of the constructs employed, thereby substantiating the model's suitability for subsequent structural analysis, ensuring the findings to be securely anchored in a robust statistical foundation.

Firstly, drawing on the rigorous interpretative guidelines suggested by Joseph F. Hair Jr. Et al. in "A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)" (2017), the interpretation of the measurement model process begins with the assessment of internal consistency reliability, evaluated through Cronbach's alpha and composite reliability criteria. Indicators A, C, E, ES and PC display scores exceeding the satisfactory levels between 0.70 and 0.90, demonstrating a commendable alignment with theoretical expectations. EX and WTP present results within the acceptable range of 0.60 to 0.70 for Cronbach's alpha, though their composite reliability scores are deemed satisfactory. Notably, the OE item exhibits minor redundancy as its composite reliability slightly exceeds the 0.90 mark, which is generally undesirable. However, despite some values slightly deviating from the established satisfactory thresholds, the overall results instil confidence in the high degree of internal consistency and reliability, thus affirming the quality of the measures and the accuracy of the data collected.

Secondly, convergent validity is scrutinised through outer loadings and average variance extracted (AVE) criteria. The analysis of outer loadings' values reveals that most indicators are well-aligned with their respective constructs, with loadings significantly beyond the 0.708 threshold. Such robust alignment, signifies a strong theoretical underpinning and practical application of the constructs within the model. Yet, certain problematic items have been identified and addressed: indicators E3 and ES1 were excluded due to their exceptionally low loadings below 0.40, conversely, A3, E4 and ES4, whilst falling between 0.40 and 0.70 thresholds of potential deletion, were retained as their deletion would have not significantly enhanced composite reliability levels. With AVE values consistently exceeding 0.50, the criterion confirms the indicators to reliably converge to measure their intended constructs. Hence, both tests corroborate the

satisfaction of the convergent validity criterion, reinforcing the consistency and coherence in the measurement of the constructs.

Lastly, discriminant validity is assessed through cross loadings, the Fornell-Larcker criterion and the HTMT ratio. Cross loadings were scrutinised to ensure that indicators are more strongly associated with their own constructs than with others, thereby validating discriminant validity. Indeed, all indicators meet this criterion. The Fornell-Larcker results further support adequate discriminant validity, with all constructs displaying higher correlations among themselves than with other constructs, which is optimal. Due to its elevated academic rigour, the HTMT test emerges as the most valuable and esteemed among the three evaluations, overcoming the limitations observed in the other assessment methods. All HTMT results fall below the stringent thresholds of 0.85-0.90, with confidence intervals further reinforcing the evidence of high discriminant validity. Such culmination and comprehensive validation of findings from all tests applied, provides conclusive affirmation of discriminant validity, establishing a definitive foundation for the integrity of the constructs within our study and potentially setting a robust precedent for future research in this domain.

Conclusively, the comprehensive validation of the measurement model via the thoroughly described methodological framework of empirical inquiry, unveiled the accurate and reliable nature of the constructs analysed in this study. This substantiates the credibility of the path model, whilst solidifying the foundational elements of this study, enabling nuanced exploration of structural relationships. Such methodological exactitude enhances the integrity of the scholarly pursuit, ensuring that this analysis remains fundamentally solid, precise and reliable.

5.1.2. Structural Model results evaluation

The interpretation of the structural model within this study's PLS-SEM framework provides a critical evaluation of the theorised relationships between constructs, a process that not only assesses the strength and significance of these pathways but also offers insights into the overall model's predictive accuracy, statistical solidity and the theoretical assertions underpinning the research.

As per the measurement model, in accordance with the interpretative framework suggested by Joseph F. Hair Jr. Et al. in “A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)” (2017), the initial phase of interpretative analysis of PLS-SEM structural model delves into potential collinearity concerns within predictor constructs. It is confirmed that no collinearity issues are detected, as all tolerance values remain well below the critical threshold of 5, indicating healthy levels of independence among the constructs and reinforcing the model’s structural integrity.

Subsequently, the analysis of path coefficient substantiates the structural model’s validity, focusing on pivotal relationships within the model itself. Notably, the interactions “A → PC”, “OE → PC” and “PC → WTP” demonstrate significant positive path coefficients, trending towards +1, rather than veering towards -1. Such significant relationships, moreover, not only extend beyond the critical threshold with t-values exceeding 1.96 at a 5% significance level, but are further validated by p-values below 0.05 and corroborative confidence intervals. These results emphatically affirm the directional and substantive influence of these constructs within the model.

Exploring the predictive power of the model, the analysis of R^2 and R^2_{adj} values reveal that only the constructs PC and WTP hold significant predictive relevance in this research context. Although establishing universally applicable benchmarks for acceptable R^2/R^2_{adj} values is complex due to varying model intricacies and disciplinary settings, the significant coefficients for PC and WTP, with values nearing 1, suggest their substantial predictive efficacy. Whereas, the impact of EX is limited at only 7.3%, the variance in Personal Commitment (PC) is significantly explained, at approximately 21.6%, by Personality Traits indicators, suggesting a substantial influence. Willingness to Pay (WTP) variance can be largely attributed by both EX and PC, accounting for 45.1%.

Lastly, the examination of effect sizes (f^2) underscores significant impacts in the relationships of E on PC, ES on PC and PC on WTP, with f^2 values denoting medium, large and very large effects respectively, illustrating a pronounced influence of the exogenous variables on the endogenous constructs.

Reflecting upon the hypotheses posited at the outset of this study, the primary outcomes unfold as follows:

- H1 is rejected; notably Agreeableness (A) only exerts positive influence Personal Commitment to luxury sustainable development (PC), suggesting that individuals with higher levels of A exhibit a pronounced predisposition towards PC, hinting, therefore, to a potential behavioural profile engaging in luxury sustainability.
- H2, H3 and H4 are rejected, as Conscientiousness (C), Extraversion (E) and Emotional Stability (ES) fail to demonstrate significant relationships with either Personal Commitment to luxury sustainable development (PC) or Expectations of sustainability in luxury (EX).
- H5 although rejected, reveals that Openness to Experience (OE) positively influences only Personal Commitment to luxury sustainable development (PC). This indicates that individuals with elevated levels of OE are likely to show a stronger inclination towards PC, suggesting that those open to new experiences and ideas may be more predisposed to harbour a behavioural profile committing to luxury sustainability.
- H6 is rejected as Expectations of sustainability in luxury (EX) does not positively influence Willingness To Pay for sustainable luxury (WTP).
- H7 is supported, affirming that Personal Commitment to luxury sustainable development (PC) positively influences Willingness To Pay for sustainable luxury (WTP), indicating that a deeper dedication to luxury sustainability correlates with an increased readiness to invest in sustainable luxury products and experiences.

These findings reveal that individuals endowed with higher levels of agreeableness and openness to experience might exhibit a more distinct predisposition towards luxury personal commitment to sustainability, which in turn, is likely to foster a heightened willingness to pay for sustainable luxury goods and experiences. Such sophisticated understanding captures the intricate dynamics of personality traits and their profound sway on consumer behaviour within the realm of sustainable luxury, revealing a potential mosaic of uncharted motivations and preferences that may drive the luxury consumer towards more ethically and environmentally responsible consumption practices.

5.2. Unexpected or contradictory results

In the course of any rigorous empirical investigation, it is not uncommon to encounter results that diverge from initial expectations or theoretical forecasts. Such unexpected or contradictory findings can yield valuable insights, prompting a re-examination of existing assumptions and theories. Within the context of this study, the following anomalies were observed, challenging preconceived notions and providing fertile ground for further exploration on their occurrence:

- H1 rejection: this presents an unforeseen outcome, as agreeableness (A) is observed to influence only personal commitment to luxury sustainable development (PC) and not expectations of sustainability in luxury (EX). Given the heightened prominence of sustainability among activists, media, shareholders and, most importantly, consumers, it would be anticipated that individuals with high levels of agreeableness, characterised by empathy and cooperation, would similarly exhibit elevated expectations of sustainability from luxury brands. This discrepancy might be elucidated by considering that agreeable individuals, driven by intrinsic dedication towards sustainability, may prioritise their personal actions and commitments over external expectations, reflecting a nuanced dichotomy between personal and societal dictates, thereby suggesting that such individuals may perceive their contributions as more consequential and transformative when personally driven, rather than contingent upon the directives of external authorities.
- H2 and H3 rejection: indicating that conscientiousness (C) and extraversion (E) exert no significant influence on either personal commitment to luxury sustainable development (PC) or expectations of sustainability in luxury (EX), these rejections emerge as particularly unexpected. It would be logical to assume that individuals endowed with structured, responsible and socially vibrant personas would naturally harmonise with the sustainable luxury ideology. Yet, the absence of any substantial influence may intimate that the allure of sustainability themes may not resonate with the conscientious and extraverted traits within the context of luxury consumption. Such individuals might instead elevate other quintessential luxury attributes, such as quality and status, above sustainability, suggesting a sophisticated form of compartmentalisation where structured and socially adept consumers might perceive

sustainability as an integral, albeit understated, component of luxury, thereby obviating the necessity for explicit personal advocacy or external expectations.

- The rejection of H6: postulating that expectations of sustainability in luxury (EX) does not significantly influence willingness to pay for sustainable luxury (WTP), this rejection reveals an unanticipated disconnect. Despite respondents being avowed luxury consumers who may harbour expectations regarding luxury brands' commitments to sustainability, their purchasing behaviour remains unaffected by the ethical stance of these brands, irrespective of whether a premium is involved. Such paradox suggests that while consumers may express strong expectations for sustainability, such declarations do not translate into congruent purchasing behaviours. Possible explanations for this incongruity may include pervasive skepticism regarding the authenticity of sustainability claims made by luxury brands, a perception that sustainable luxury should not inherently warrant a higher price, or a tendency to prioritise other luxury attributes over sustainability when making purchasing decisions.

It is imperative to acknowledge that such interpretation and explanations are hypothetical and require further empirical research for validation and definitive elucidation. Nevertheless, these unexpected findings may serve as informative insights for future investigations, underscoring, once again, the intricate and multifaceted nature of consumer behaviour and our limited understanding of the factors influencing decision-making processes within the realm of luxury sustainability.

5.3. Comparison to existing literature

Whilst the scholarly corpus concerning sustainability within the luxury realm has yet not delved into the nuanced reciprocity between individuals' personality traits and consumer behaviour, and its consequent relation with willingness to pay, by scrutinising the results of the hypotheses tested in this study, comparisons, parallels and discrepancies can be identified with established theories and previous empirical endeavours.

Particularly intriguing is the pronounced disconnect observed between the consumers' anticipated standards for luxury sustainability and their actual financial commitment to

such principles, underscored by the unequivocal rejection of H6. Such divergence provokes substantive reflections on the magnitude of foundational assertions posited in earlier research by scholars such as Davies et al. (2012), Gardetti and Torres (2014) and Kapferer and Michaut (2020), becoming even more exacerbated and when considering that failure of brands to meet these expectations frequently catalyses resonant public dissent. Questioning the presumed importance of sustainability expectations in moulding ethical consumer behaviour and in securing a tangible financial commitment to sustainable products, this revelation exposes a complex conundrum within consumer psychology, offering a fertile terrain for granular future investigations.

This research substantiates the presence of a substantial market segments of consumer who are reticent to incur to a premium for sustainability in luxury goods and experiences echoing the findings of Devinney, Auger, and Eckhardt (2011) and the observations made by Bhattacharya & Sen (2004). Nonetheless, this does not detract from the statements of Athwal et al. (2019), Janssen et al. (2014), Beckham and Voyer (2014) positing a distinct luxury consumer group with a pronounced willingness to pay for certified sustainable or ethically sourced products. Although quantifying this demographic precisely poses quite of a challenge, its existence is undeniable and further substantiated by the support for H7, demonstrating that a deep personal commitment to sustainability tends to enhance individuals' readiness to invest in sustainable luxury products and experiences.

Whilst this present study reaffirms intricate paradoxes previously noted in literature review, it also unveils a potential avenue for scholarly inquiry. Emphasising the critical role of consumer commitment in predicting and shaping willingness to pay, this research presents fertile ground for further exploration into the defining variables that could align market strategies with evolving consumers' values.

5.4. Managerial implications

These study's findings highlight the complex intertwine of personality traits and consumer behaviour within the luxury sustainable market, revealing a layered narrative replete with elusive nuances. Understanding such dynamics is not merely an ethical obligation but a strategic imperative, offering substantial competitive advantages and safeguarding cannibalisation by competitors active in this arena both at the present

moment and in the foreseeable future. To adeptly navigate this intricate landscape, managers must adopt a multifaceted approach, harmoniously blending traditional luxury with contemporary ethical standards.

- **Transparent communication of sustainability efforts:** for managers must rigorously re-evaluate supply chains, production methods and marketing strategies to align with the growing consumer demand for ethical and environmentally friendly products and experiences, they must also cultivate a transparent dialogue, in avoidance of greenwashing pitfalls, thereby building trust with an increasingly discerning consumer base wary of unsubstantiated environmental claims.
- **Strategic targeting of specific customer segments:** a nuanced understanding and precise segmentation of the market based on consumer values and behaviours towards luxury sustainability enable the formulation of sharply focused marketing strategies, ensuring that sustainability efforts profoundly resonate with segments prioritising ethical consumption, thus enhancing brand loyalty and customer retention.
- **Comprehensive CSR education and engagement:** the implementation of comprehensive CSR education programs within the company, extended through workshops, detailed reporting and proactive engagement, serves to deepen consumer understanding and appreciation of the brands' sustainability initiatives. Collaborating with other brands and sharing knowledge not only extends the reach and impact of these efforts but also augments their authenticity and perceived value.
- **Cultivating an informed aspirational customer experience:** it is imperative to craft customer experiences that seamlessly integrate sustainability without compromising the aspirational and escapist essence of the brand. Managers should ensure that communications about sustainable practices is positively framed, emphasising the preservation of beauty, quality and craftsmanship rather than focusing solely on the prevention and conflict towards environmental depletion.

By adopting these strategies luxury brand managers can ensure that their brands not only meet but surpass the ever-evolving expectations of modern consumers, establishing themselves as vanguards in the dynamic realm of sustainable luxury, thereby catering to the market's immediate demands but also charting forward-thinking trajectory for sustained brand loyalty and market invincibility.

VI. Limitations

The conducted study addresses willingness to pay for sustainability across the totality of the luxury realm, particularly examining how such willingness varies among distinct consumer personality profiles based on the widely recognised Five-Factor Model, thereby seeking to decipher such complex interplay. Nonetheless there were inherent limitations to the current research, it's important to recognise the constraint that circumscribe the scope and potential generalizability of the findings, crucial to interpreting the results accurately but also for guiding future research direction in the field of sustainable luxury consumption.

- Computational constraints for socio-demographics exploration: one of the primary limitations of this study is the computational intensity required for a comprehensive exploration of socio-demographic factors. The rigorous demands associated with processing and analysing extensive datasets to uncover nuanced socio-demographic insights were beyond the practical scope of this research. Consequently, this limitation may have restricted the depth of analysis possible, particularly in understanding how various socio-demographic variables such as age, income, and educational background could differently influence luxury consumption patterns. This gap suggests that subsequent studies could benefit from employing more robust computational resources or methodologies to delve deeper into these potentially revealing aspects.
- Language and geographic limitations: the study was conducted within a single country and was limited to one language, which constrains the universality of the findings. As the luxury market is distinctly influenced by cultural, economic, and social contexts that vary widely across different regions, the insights gained from this study may not be directly applicable or reflective of other geographical areas. This limitation is significant, particularly considering the global nature of the luxury market. The results, therefore, should be interpreted with caution when considering their applicability to different international contexts.
- Potential for segment-specific analysis: this study focuses on a specific consumer segment within a singular cultural milieu. While this approach allows for a detailed analysis of particular consumer behaviours and preferences, it also narrows the scope of the study, potentially overlooking the diversity found within global luxury

consumption patterns. Given the prominence of Asian countries as emerging luxury markets, future studies could concentrate on understanding luxury consumption within these specific demographics. Such an approach would not only broaden the understanding of luxury markets but also tailor strategic implications for businesses looking to penetrate or expand within these regions. Analysing consumer segments in Asia could reveal unique consumption patterns, motivations, and preferences that differ markedly from Western consumers, providing valuable insights for global marketing strategies.

VII. Conclusions

In the labyrinth of modern consumption, the paradoxical interplay between luxury and sustainability emerges as a profound philosophical quandary. This thesis navigates through the opulent corridors of the luxury market, a realm traditionally defined by excess and indulgence, and ventures into the austere realms of sustainability, where restraint and responsibility reign. The luxury market, often perceived as the dominion of the elite, unfolds its narrative not just through the shimmer of affluence but through its potential to influence broader societal values and consumption patterns.

The essence of this exploration is driven by the undercurrent of a simple yet profound question: Can the ethos of sustainability genuinely permeate the sanctum of luxury, or are these two realms forever destined to orbit each other, never truly converging? This study posits that despite the apparent contradictions, there is a critical intersection where sustainability and luxury do not just meet but can dynamically coalesce. In the present research, the focus sharpens on the role of individual consumer profiles, specifically in how the tapestry of personality traits shapes the willingness to pay for sustainability in luxury markets. It highlights an exceptional importance of prior personal commitment to sustainable practices among luxury consumers, suggesting that deep-seated values can indeed influence consumption patterns, even among the ostensibly indifferent affluent.

Critics and sceptics often argue that the luxury market, catering as it does to the whims of the 1%, remains largely indifferent to the principles of sustainability. Such perspectives, while not entirely without merit, overlook the potential for change. A compelling case in point is the evolving stance on fur within the luxury fashion industry. Historically, fur has epitomised luxury, symbolising opulence and exclusivity. However, growing awareness and activism against animal cruelty have led to a seismic shift in consumer perceptions. Increasingly, luxury brands are renouncing fur, responding not only to ethical imperatives but also to the demands of a new generation of luxury consumers who prioritise sustainability. This shift is monumental, illustrating that even markets traditionally resistant to change can evolve. The fur case underscores a broader trend where sustainability becomes not just a moral choice but a strategic imperative that redefines the essence of luxury itself.

This research unearths not just the presence but the nuanced influence of consumer commitment to sustainability, challenging the prevailing narrative that luxury consumers are universally apathetic towards environmental and ethical considerations. Indeed, the findings of this study suggest that there exists a discernible segment of the luxury market whose purchasing decisions are swayed by their sustainability commitments. These consumers, driven by a blend of affluence and ethics, might very well set the stage for a broader transformation within the luxury sector.

Moreover, the implications of integrating sustainability into luxury consumption extend far beyond the confines of this market. If sustainability practices can gain a foothold in this influential sector, they could set a precedent that resonates across other markets, establishing a new benchmark for consumption practices globally. In this sense, the luxury market's adoption of sustainability could serve as a vanguard movement, heralding a new era where luxury and sustainability are not just compatible, but complementary.

In conclusion, this thesis does not merely analyse data; it seeks to weave a new narrative for luxury consumption, one enriched with the threads of sustainability. It is a call to action for all stakeholders in the luxury market to embrace a broader vision of what luxury can and should represent. As we stand on the precipice of ecological and social imperatives that demand urgent attention, the luxury market has the opportunity to lead by example, proving that true luxury is not only about what is owned but also about what is valued. In this endeavour, the luxury market can transform from a bastion of indulgence to a cradle of innovation and responsibility, setting a course for a future where luxury and sustainability are inextricably linked.

VIII. References

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IX. Sitography

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Appendix A

Constructs, items and Sources

Construct	Items	Sources
Personal Commitment (PC) to Sustainable Development	PC1. When shopping do you take into account sustainable development considerations? PC2. Would you be willing to buy more luxury products if it was proven to you that they respect sustainable development values?	C. Janssen et al. (2014). The catch-22 of responsible luxury: Effects of luxury product characteristics on consumers' perception of fit with corporate social responsibility.
	PC3. I could stop purchasing a luxury brand if I learned it does not comply to sustainable development	J. N. Kapferer & A. Michaut-Denizeau (2019). Are millennials really more sensitive to sustainable luxury? A cross-generational international comparison of sustainability consciousness when buying luxury.
Willingness To Pay (WTP) for Sustainable Luxury	WTP1. I would be willing to pay a higher price for eco-fashion brands over other similar brands WTP4. I prefer to purchase from eco-fashion brand even if another brand advertises at a lower price	M. Farzin, H. Shababi et al. (2022). The determinants of eco-fashion purchase intention and willingness to pay.
Expectations (EX) of Sustainability in Luxury	EX1. By definition, a luxury brand is exemplary in everything and hence in terms of sustainability EX2. Given their price, the least luxury brands should do is to be compliant	J. N. Kapferer & A. Michaut-Denizeau (2019). Are millennials really more sensitive to sustainable luxury? A cross-generational international comparison of sustainability consciousness when buying luxury.

Construct	Items	Sources
Personality Dimensions: <ul style="list-style-type: none"> • Extraversion (E) • Agreeableness (A) • Conscientiousness (C) • Openness to Experience (OE) • Emotional Stability (ES) 	E1. In unclear situations, I usually take control of things. E2. It is easy for me to get to know other people. E3. I usually let others make the decisions. (Reverse coded item) E4. Can talk others into doing things. A1. I trust other people. A2. I trust what people say. A3. I like to help others. A4. I believe people usually have good intentions. C1. I am conscientious about the things I do. C2. I finish my work on time. C3. I am deliberate in my decisions. C4. I obey the rules the best I can OE1. I have a vivid imagination. OE2. I greatly appreciate poetry. OE3. I enjoy wild flights of fantasy. OE4. I see beauty in things that others might not notice. ES1. I feel like I can handle any situation. ES2. It is hard for me to take criticism. (Reverse coded item) ES3. It is easy to hurt me emotionally. (Reverse coded item) ES4. I get very nervous before important meetings. (Reverse coded item)	Goldberg, 1999. Mahlamaki 2010.

Appendix B

The questionnaire administered to respondents is provided as an attachment

Willingness to Pay for Sustainable Luxury

The juxtaposition of the two subjects of Sustainability and Luxury has elicited diverse perspectives among academic researchers, with some perceiving them as an apparent oxymoron and others as inherently intertwined.

The consumption of luxury products might appear irrational and excessive, motivated by status and class-consciousness, and thus, broadly unsustainable.

However, it is argued that surely, unlike mass-market, volume-business brands, many true luxury brands have, to some extent, been supporting rather than undermining sustainability. This may be evident in their practices of limited production, commitment not to delocalize or subcontract the production, limited use of machinery for craftsmanship preservation, as well as the creation of high-quality products designed to last a lifetime.

This questionnaire is designed to explore our intentions and participation in sustainability within the luxury market as consumers, investigating how our individual personality profiles influence our consumption patterns.

The aim of the research, as embodied by the survey, is to contribute to the ongoing discourse regarding the potential coexistence of sustainability and luxury.

Rules and Indications:

Below you will be presented with some affirmation-based questions:

- please *choose only one of the given answers*.
- please answer all questions and *do not consult with anyone else*.
- remember to be truthful!

Thank you for your patience in completing this questionnaire.

N.B. All personal data will be collected in total anonymity and used only and exclusively for research purposes for educational-scientific purposes. This procedure will take place in compliance with the provisions of EU Regulation 2016/679.

* Indicates required question

SUSTAINABILITY AND LUXURY COMPATIBILITY

In responding to the following questions please note:

- Luxury is a **subjective** concept (e.g. does not necessarily equate only the highest of prices per se): what is considered to be luxury by one, may not be perceived as such by another.
- The luxury market includes the realms of automotive, personal goods, hospitality, fine wine and spirits, gourmet foods and fine dining, furniture and housewares, fine art, private jets and yachts, cruises.

1. Have you ever consumed any luxury product or experience? *

Mark only one oval.

Yes

No

2. Do you value sustainability as a concept? *

Mark only one oval.

Yes

No

3. When shopping I take into consideration sustainability. *

1 = strongly disagree, 4 = neutral, 7 = strongly agree

Mark only one oval.

1

2

3

4

5

6

7

4. I would be willing to buy more luxury products or experiences if they were proven to respect sustainability values.

1 = strongly disagree, 4 = neutral, 7 = strongly agree

Mark only one oval.

1

2

3

4

5

6

7

5. I could stop purchasing from a luxury brand if it was proven not to comply to sustainable practices.

1 = strongly disagree, 4 = neutral, 7 = strongly agree

Mark only one oval.

1

2

3

4

5

6

7

6. I would be willing to pay a higher price for sustainable luxury alternatives. *

1 = strongly disagree, 4 = neutral, 7 = strongly agree

Mark only one oval.

1

2

3

4

5

6

7

7. I prefer to purchase a sustainable product or experience, even if a competitor advertises at lower price.

1 = strongly disagree, 4 = neutral, 7 = strongly agree

Mark only one oval.

1

2

3

4

5

6

7

8. By definition a luxury brand is exemplary in everything, including sustainability. *

1 = strongly disagree, 4 = neutral, 7 = strongly agree

Mark only one oval.

1

2

3

4

5

6

7

9. Given their price, I expect luxury brands to be compliant to sustainable practices. *
- 1 = strongly disagree, 4 = neutral, 7 = strongly agree

Mark only one oval.

1

2

3

4

5

6

7

10. Please select ""Somewhat Agree"

Mark only one oval.

Strongly Disagree

Somewhat Disagree

Neither Agree nor Disagree

Somewhat Agree

Strongly Agree

PERSONALITY DIMENSIONS

11. Extraversion. *

1 = strongly disagree, 4 = neutral, 7 = strongly agree

Mark only one oval per row.

	1	2	3	4	5	6	7
In situations of uncertainty, I usually take control.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It's easy for me to get to know other people.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I usually let others make the decisions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can talk others into doing things.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. Agreeableness. *

1 = strongly disagree, 4 = neutral, 7 = strongly agree

Mark only one oval per row.

	1	2	3	4	5	6	7
I trust other people.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I trust what people say.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like to help others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe people usually have good intentions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. Conscientiousness. *

1 = strongly disagree, 4 = neutral, 7 = strongly agree

Mark only one oval per row.

	1	2	3	4	5	6	7
I am conscientious about the things I do.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I finish my work on time.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am deliberate in my decisions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I obey the rules the best I can	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. Openness to Experience. *

1 = strongly disagree, 4 = neutral, 7 = strongly agree

Mark only one oval per row.

	1	2	3	4	5	6	7
I have a vivid imagination.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I greatly appreciate poetry.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I enjoy wild flights of fantasy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I see beauty in things that others might not notice.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. Emotional Stability. *

1 = strongly disagree, 4 = neutral, 7 = strongly agree

Mark only one oval per row.

	1	2	3	4	5	6	7
I feel like I can handle any situation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is hard for me to take criticism.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is easy to hurt me emotionally.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I get very nervous before important meetings.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

16. Please select "Neither Agree nor Disagree"

Mark only one oval.

- Strongly Disagree
- Somewhat Disagree
- Neither Agree nor Disagree
- Somewhat Agree
- Strongly Agree

SOCIO-DEMOGRAPHICS

17. What's your age-range (generational range)? *

Mark only one oval.

- 18 - 26 (Generation Z)
- 27 - 42 (Millennials)
- 43 - 58 (Generation X)
- 59 - 68 (Baby Boomers)
- 69 - 77 (Boomers)
- 78 - 95 (Post War)

18. What's your gender? *

Mark only one oval.

- female
- male

19. What's your education level? *

Mark only one oval.

- elementary school
- middle school
- high school
- bachelor's degree
- master's degree
- PhD

20. What's your current professional status? *

Mark only one oval.

- unemployed
- student
- retired
- Blue Collar (manual or industrial labor)
- White Collar (professional or office-based work)

21. What was your approximate before-tax family income during last year? *

Mark only one oval.

- less than €10,000
- €10,000 - €29,999
- €30,000 - €49,999
- €50,000 - €69,999
- €70,000 - €89,999
- €90,000 - €149,999
- more than €150,000

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