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# Sustainable Luxury Fashion Consumption Through a Circular Economy Business Model

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This is to certify that the doctoral dissertation by

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Abstract

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by

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Dissertation Submitted in Partial Fulfillment

of the Requirements for the degree of

Doctor of Philosophy

Management

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Abstract

The luxury fashion industry, forecasted to reach a value of 84.04 billion U.S. dollars by 2025, has stalled in adopting a circular economy (CE) business model to raise sustainable luxury consumption in mature markets. The purpose of this qualitative, multiple case study was to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model in mature markets. This study was framed by two conceptual models: Donato et al.'s concept of sustainable luxury consumption and Chiaroni and Urbinati's concept of adopting a circular business model. Data were collected from multiple sources to ensure the trustworthiness of evidence collected: semistructured interviews with seven CE business experts, reflective field notes, and archival data. Using cross-case synthesis, twenty-three themes embedded within six coding categories emerged from the data analysis: (a) initial effect of CE business model adoption on competitive advantage; (b) profit-making drivers for firms to increase sustainable luxury fashion consumption; (c) financial challenges for firms in the transition from a linear to a CE business model; (d) technology challenges for firms in the transition from a linear to a CE business model; (e) achieving the profitable shift from a linear to a CE model in mature markets; and (f) added value for customers after CE business model adoption. This study's outcome may drive positive social change by providing fashion industry leaders with a better understanding of how a CE business model can generate a broader social contribution for the environment, employees, local communities of producers, and, as a consequence, to society at large.

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## Dedication

To the memory of my dear father, Yaya Alim, I promised him to pursue a Ph.D. degree before leaving this world. Furthermore, to the memory of my dear sister Saadatou Sa’a, who inspired me in life. May their souls rest in peace.

To my dear mother, you continue to be my support system in life, with eternal love and appreciation.

To my dear siblings, you are the backbone of my support system in life, and you never fail to lift me when needed, with eternal love and gratitude.

To my dear Saanie, your support has been part of this critical time of my life through good and bad times, with infinite love and appreciation.

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This Ph.D. journey would not have been successful without the support I received from many.

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I would also like to express my gratitude to Professor Michael Neubert, my dissertation second committee member, for his guidance and feedback. Thanks to Dr. Kenneth Levitt, the University Research Reviewer for my committee for his support throughout this capstone process.

Additionally, I would like to thank my late father, my mother, and my siblings, for raising me to become who I am and for their unconditional love, support, and understanding in my life. I want to thank my nephews and nieces for their patience and support.

Finally, I would  like to thank my extended family and my friends for their continuous support that has been shown to me throughout this dissertation journey.

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# Chapter 1: Introduction to the Study

Luxury fashion industry leaders now face a significant business challenge: keep creating luxury fashion for a growing population with disposable income without further damaging the planet (Athwal et al., 2019; Grant, 2020). While luxury fashion leaders publicly support sustainable consumption, their business models remain underdeveloped to address the challenge of sustainable consumption (Donato et al., 2019; Garg, 2020). With global textile production now exceeding 100 billion garments annually, luxury retailers need to urgently reconsider their adherence to Porter’s linear take-make-dispose economic model, based on using resources previously considered available in unlimited quantities (Jacometti, 2019; Shirvanimoghaddam et al., 2020). Empirical studies are now needed to understand how luxury fashion companies may transition to make a profitable shift to a circular business model (Mazzeo, 2020; Vignali et al., 2020).

The Covid-19 crisis now challenges industry fashion leaders to rethink their environmental practices (Roberts-Islam, 2020; Sarkis et al., 2020). As a concept reflecting consumers’ values, sustainable consumption has led to the circular business model’s proliferation across a wide range of industries (Tunn et al., 2019). The circular economy (CE) model preserves the value of energy, labor, and materials by designing for durability, reuse, remanufacturing, and recycling to keep products, components, and materials circulating in the economy (Coste-Maniere et al., 2019). On the demand side, wealthy consumers in mature markets desire new forms of luxury that consider sustainability (Blazquez et al., 2020; Gardetti & Muthu, 2018). A literature gap exists on how the luxury industry can adopt a CE business model to raise their retail products’ sustainable luxury consumption in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020). The outcome of such a study may drive positive social change by providing fashion industry leaders with a better understanding of how a CE business model can generate a positive contribution for the environment, their employees, the community of producers, and, consequently, society at large.

This chapter presents an introduction and background of the study, the problem statement, the purpose of the study, the research question, the conceptual framework, and the study's nature. The chapter also includes the definitions, the assumptions, the scope and delimitations, the limitations, the significance, and the summary.

## Background of the Study

The luxury fashion world is profoundly affected by sustainability and the CE's emergence since the textile sector became subject to criticism related to its environmental and human health impacts (Gazzola et al., 2020). The pressure on the fashion industry has increased as global textile production now exceeds 100 billion garments annually. Luxury retailers need to reconsider their adherence to a sustainable economic model urgently while using resources previously considered available in unlimited quantities (Shirvanimoghaddam et al., 2020).

The fashion industry's original business model is driven by consumption, not reduction (Jacometti, 2019). In contrast, the new CE business model invested in innovation allows consumers to rent or borrow clothes for a fee, contributing to reduction, thus sustaining sustainability (Weber, 2019). The current economic and social climate had encouraged consumers to acquire and reuse second-hand luxury fashion, which has encouraged the CE's concept, thus sustainability (Ryding et al., 2018). Additionally, research revealed that consumers' motivations to purchase second-hand luxury products compared to first-hand luxury products revealed that social status is the common denominator. Simultaneously, eco-conscious concerns make the difference in the decision to buy second-hand luxury fashion (Kessous & Valette-Florence, 2019).

Sustainable consumption is a concept reflecting consumers' values, leading to the proliferation of the circular business model across a wide range of industries (Tunn et al., 2019). Scholars confirmed that the CE model preserves the value of energy, labor, and materials by designing for durability, reuse, remanufacturing, and recycling to keep products, components, and materials circulating in the economy (Coste-Maniere et al., 2019; Godart & Seong, 2014). On the demand side, wealthy consumers in mature markets desire new luxury forms that consider sustainability (Gardetti & Muthu, 2018). Given these market trends, there is presently a lack of research on how various sectors of industry, including the luxury industry, can adopt a CE business model to raise sustainable luxury consumption in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020)

As the luxury fashion industry is going through supply chain changes, a CE model could constitute the key to success in maintaining profitability while adopting sustainability measures (Blazquez et al., 2020). The new textile CE can provide diversity and innovation that will satisfy customers' desire for novelty through an active rental and resale market that will offer flexibility, opportunity, and a range of choices to users (Patwa & Seetharaman, 2019). Some barriers to sustainable luxury fashion come from the business owners concerned about their margins if profitability and others come from customers who claim that sustainable fashion is expensive, ugly, and not accessible (Mukendi et al., 2020). Presently, there is not enough available practitioner-based knowledge for luxury fashion leaders to make a profitable shift to a circular business model (Mazzeo, 2020; Vignali et al., 2020).

The Covid-19 pandemic is another aspect that has impacted consumer behaviors in general and within the fashion industry's supply chain in particular (Roberts-Islam, 2020 ). Researchers argued that Covid-19's consequences would substantially transform the global fashion system currently constituted, leading to a sustainable industry in the post-pandemic era (Almila, 2020). A linear business model shift to a circular business model can be profitable for sustainable luxury fashion consumption in a mature market. It remains significant for scholars to outline how businesses, their customers, and suppliers can work together to develop a sustainable business model for the retail sector (Donato et al., 2020; Osburg et al., 2020). There is a need for empirical research to contribute to the limited scholarly literature on how various industry sectors, particularly the luxury industry, can adopt a CE business model to raise sustainable luxury consumption in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020).

## Problem Statement

Luxury fashion industry leaders now face a significant business challenge: creating luxury fashion for a growing population with disposable income without further damaging the planet (Athwal et al., 2019; Grant, 2020). Recently, Burberry, a well-known luxury fashion brand, admitted to destroying $37 million worth of their unsold luxury products through incineration, an ecosystem degradation process that is standard supply chain practice in the fashion industry (Ozdamar-Ertekin, 2019). The luxury fashion industry's secretive nature makes it difficult for financial analysts to quantify the problem's scale (Jestratijevic et al., 2020). However, with global textile production now exceeding 100 billion garments annually, luxury retailers need to urgently reconsider their adherence to Porter's anachronistic linear take-make-dispose economic model, based on using resources previously considered available in unlimited quantities (Jacometti, 2019; Shirvanimoghaddam et al., 2020). The Covid-19 crisis now challenges industry fashion leaders to rethink their environmental practices (Roberts-Islam, 2020; Sarkis et al., 2020). The social problem is that while luxury fashion leaders publicly support sustainable consumption, their business models remain underdeveloped to address the challenge of sustainable consumption (Donato et al., 2019; Garg, 2020).

As a concept reflecting consumers' values, sustainable consumption has led to the circular business model's proliferation across a wide range of industries (Tunn et al., 2019). Over the past decade, scholars confirmed that the CE model preserves the value of energy, labor, and materials by designing for durability, reuse, remanufacturing, and recycling to keep products, components, and materials circulating in the economy (Coste-Maniere et al., 2019; Godart, & Seong, 2014). On the demand side, wealthy consumers in mature markets desire new forms of luxury that consider sustainability (Blazquez et al., 2020; Gardetti & Muthu, 2018). Researchers state a lack of available practitioner-based knowledge for luxury fashion leaders to make a profitable shift to a circular business model (Mazzeo, 2020; Vignali et al., 2020). A gap exists in the scholarly literature on how various industry sectors, including the luxury industry, can adopt a CE business model to raise sustainable luxury consumption in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020). The specific management problem is that luxury fashion leaders have little understanding of making a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets (Donato et al., 2020; Osburg et al., 2020)

## Purpose of the Study

The purpose of this qualitative, multiple case study is to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. To meet the study's purpose and address this documented knowledge gap among luxury fashion leaders, and consistent with the qualitative paradigm, a multiple case study design (see Yin, 2017) has been used to collect data from a purposeful sample of CE business experts. The open nature of expert interviews allows collecting data from experts' breadth of knowledge and experience in research fields that still need exploring (Littig & Pöchhacker, 2014). Semistructured interviews (Yin, 2017), archival data, and reflective field notes (Merriam & Tisdell, 2015) were used to drive the trustworthiness of the multiple case study findings through data triangulation (Guion et al., 2011; Halkias & Neubert, 2020).

## Research Question

How do CE business experts describe how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets?

## Conceptual Framework

This study is framed by two concepts that focus on aligning with the purpose of the study, which is to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets: 1) Donato et al. 's (2020) concept of *sustainable luxury consumption* and 2) Chiaroni and Urbinati's (2017) concept of *adopting a circular business model* which "relies on large quantities of easily accessible resources and energy, and as such is increasingly unfit to the reality in which it operates" (p.1). The extant literature identified luxury consumption within mature markets as an expression of wealth, social status, beauty, and knowledge. However, there is little extant literature on how luxury brands can leverage the CE business model to build on their sustainability journey by interfacing the CE paradigm with their entrepreneurial capabilities.

### Sustainable Luxury Consumption

Donato et al. (2020) define sustainable luxury consumption as a rising concept leveraging luxury firms' competitive strategies and affecting consumers' purchase decisions. Donato et al. grounded their concept of sustainable luxury consumption in the well-known corporate social responsibility (CSR) framework (Carroll, 1979, 1991) by connecting the dimensions of the model with luxury goods' perceptions (i.e., the distinction between external and internal dimensions). Donato et al. wrote that Carroll's (1979, 1991) CSR framework might be beneficial for future studies exploring the issue of luxury goods consumption.

### Adopting a Circular Business Model

Chiaroni and Urbinati (2017) define adopting a circular business model as switching from the linear business model that consists of a make-and-dispose process to a sustainable one that creates closed-loop supply chains through a collaborative relationship with external partners. Chiaroni and Urbinati grounded their concept of adopting a circular business model in the value network framework by linking the blocks to the closed-loop supply chains value creation, i.e., circular collaborative business model, circular communication, and circular awareness (Antikainen & Valkokari, 2016; Lieder & Rashid, 2016). Chiaroni and Urbinati's research concluded that value network dimensions play a significant role in shifting from a linear business model to a CE and sustainable closed-loop supply chains.

## Nature of the Study

To ensure that the proposed method aligns with this research's purpose and provides adequate data for the research question, this study's nature shall be qualitative. The qualitative approach shall be used because it is suitable for the "naturalistic perspective and interpretive understanding" of human experience and expectations (Denzin & Lincoln, 2013, p. 10). The qualitative research method is appropriate for an investigation about meanings, opinions, expectations, and behavior. Given that the study's purpose requires a description of CE business experts' views on luxury fashion leaders making a profitable shift to a circular business model, an under-researched topic, an exploratory multiple case study (Yin, 2017) has been applied to meet the study goals. Qualitative research aligns with the worldview that learning is active and constructive. Since qualitative research is consistent with the constructivist paradigm, scholars use the qualitative scholarship to explore people's individual experiences in a specific social and cultural setting (Cooper & White, 2012).

Conversely, the quantitative research method is not relevant for this study because the exploratory multiple case study does not investigate any statistical relationship and does not seek to manipulate any experimental variables (Harkiolakis, 2017). As was further emphasized by Harkiolakis (2017), qualitative research is more suitable when field observations of reality are analyzed exclusive of numerical methods or where the intention is to conclude coded data. To align with the purpose of this study and describe CE business experts' views on making a profitable shift to a circular business model, a qualitative research method was used to allow for a flexible approach to collecting and analyzing data.

According to Yin (2017), a multiple case study investigation allows the researcher to investigate phenomena through a replication strategy. Yin also noted that within the multiple case study design, investigating a social phenomenon can entail an individual within a specific context as a separate unit of study. To meet that goal, this study's central phenomenon of study is the individual, and the context is luxury fashion CE experts. In developing a study of individuals living within a community and not the whole of the community itself, the optimum qualitative design to retrieve data with the goal of theory extension is an exploratory, multiple-case study design (Eisenhardt & Graebner, 2007; Halkias & Neubert, 2020). The unit of analysis in this study was the individual CE expert.

Participants for this multiple case study were recruited using purposeful criterion and network sampling strategies (Merriam & Tisdell, 2015). I screened candidates for participation in the study from a population with the following inclusion criteria: subject matter experts who (a) authored at least five peer-reviewed papers published in scientific journals and indexed on Google Scholar between 2010 and 2020 when undergoing a word search under the term “CE,” “CE business model,” “online platforms for luxury retailers,” “sustainable luxury products,” “sustainable luxury fashion,” and “shift from a linear to a circular business model”; (b) have terminal degrees from accredited institutions; and (c) possess in-depth expert knowledge regarding the topic of the study (see Merriam & Tisdell, 2015).

I recruited seven participants to conduct in-depth face-to-face individual interviews for this study, and data saturation was reached. Conducting semistructured interviews with experts knowledgeable about various subject topics using purposeful sampling can yield rich answers to the central research question (CRQ) while also emphasizing the experts’ perspectives that affect social practices in a field of action (Döringer, 2020). Schram (2006) recommended a range of five to 10 participants for a qualitative study, stating that larger sample sizes could be a barrier to an in-depth, qualitative investigation. Using the multiple case study design, I implemented the cross-case synthesis method for data analysis to generate themes representing the convergence and divergence of participants' experiences within and between cases (see Yin, 2017). I triangulated interview data themes with data from reflective field notes, current business, marketing, financial analyst reports, and previously published research articles, literature, and case studies to enhance the findings' trustworthiness and make suggestions for further research (Guion et al., 2011).

## Definitions

*Circular Economy*: This term refers to economic systems that preserve the value of energy, labor, and materials by designing durability, reuse, remanufacturing, and recycling to keep products, components, and materials circulating in the economy (Coste-Maniere et al., 2019).

*Circular Economy business model*: This term refers to a sustainable business model that creates closed-loop supply chains through a collaborative relationship with external partners (Chiaroni & Urbinati, 2017).

*Closed-loop supply chains value creation*: This term refers to a circular collaborative business model, circular communication, and circular awareness (Antikainen & Valkokari, 2016; Lieder & Rashid, 2016).

*Linear take-make-dispose economic model*: This term refers to an economic model that creates value by producing as many products as possible through a step-by-step model, where raw materials are collected and transformed into products that will be used by the consumer until discarded to waste (Elisha, 2020).

*Luxury fashion*: This term initially referred to haute couture and described later on any product or a high-end object that exhibits elegance and sumptuousness, perceived as rare and seen from the customer's perspective as belonging to a small circle of elective representatives (Cabigiosu, 2020).

*Mature markets economies*: This term, also called "dual economies," refers to economies within which competing economic structures coexist without sufficient linkage effects from the leading industrial sector to create conditions of more equitable income distribution and growth (Seccareccia, 2020).

*Sustainable consumption*: This concept reflects consumers' values that supports cleaner, greener, and more efficient processes for manufacturing consumer goods and their intermediary inputs (Cohen, 2020).

*Sustainability*: This term refers to the whole planet, the integrity, the health of its biosphere, and the future well-being of humanity in general (Ben-Eli, 2018)

*Sustainable luxury fashion consumption*: This term is a rising concept leveraging luxury firms' competitive strategies and affecting consumers' purchase decisions (Donato et al., 2020).

## Assumptions

Yin (2017) defined research limitations as the methodology circumstances that are not controllable by the researcher and influence the interpretation of the research findings. One of the limitations of this study was choosing a suitable method to answer the research question. A detailed audit trail was provided, and triangulation of interview responses, historical literature, and field notes to collect accurate data to answer the research question was conducted (see Guion et al., 2011). Additionally, a comprehensive literature review is included in this study to support the research and ensure the data collected reliability and validation.

Another limitation of this study was selecting participants due to specific inclusion criteria that may limit sufficient participants' recruitment to reflect a good representation of the targeted population. Nevertheless, Schram (2006) argued that a larger sample size could prevent an in-depth, qualitative investigation, and this study aimed to recruit five to 10 participants. This study used an in-depth interview process, and transparency in the participants' responses could constitute a limitation due to the participants' personal bias in their response (Merriam & Tisdell, 2015). Rubin and Rubin (2012) emphasized the importance of building trust between the researcher and the participants to obtain genuine and objective answers from the interview.

Finally, this qualitative study's limitation is the difficulty of extending the findings to a broader population with the same degree of certainty of quantitative approaches (Ochieng, 2009). Aiming to mitigate this qualitative research limitation, this study uses a multiple case approach to comprehensively explore the research question and ensure trustworthiness (Eisenhardt & Graebner, 2007). In addition to semistructured interviews, this study used reflective notes and archival data to guarantee reliability (Guion et al., 2011; Yin, 2017).

## Scope and Delimitations

The textile industry is going through enormous crises (Crinis, 2017). Global textile production now exceeds 100 billion garments annually, forcing luxury retailers to urgently reconsider their adherence to the linear take-make-dispose economic model, based on using resources previously considered available in unlimited quantities (Jacometti, 2019; Shirvanimoghaddam et al., 2020). The CE business model seems to be a sustainable tradeoff of the linear model. Over the past decade, scholars confirmed that the CE model preserves the value of energy, labor, and materials by designing for durability, reuse, remanufacturing, and recycling to keep products, components, and materials circulating in the economy (Coste-Maniere et al., 2019; Godart, & Seong, 2014).

According to Greener (2018), the scope of research is the intended problem to be studied. The current study's scope describes CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. The proposed study's delimitation within the study's scope is about the luxury fashion industry and the luxury fashion leaders, making a profitable and sustainable shift from a linear to a CE business model in mature markets.

According to Yin (2017), the delimitations follow the study sample's inclusion and exclusion criteria to establish a case study replication process. Thus, the replication process occurred when the unit of analysis, the individual CE expert, was selected for this study. A subject-matter expert in this study has the skills, the knowledge, and the experience in the CE business model field acquired over many years demonstrated and documented (Hopkins & Unger, 2017). In this study, the CE experts are defined by their industry and peers' continuous learning and recognized expertise, supporting their credibility (Hopkins & Unger, 2017).

Researchers stated a lack of available practitioner-based knowledge for luxury fashion leaders to make a profitable shift to a circular business model (Mazzeo, 2020; Vignali et al., 2020). Additionally, a gap exists within the scholarly literature on how various industry sectors, including the luxury industry, can adopt a CE business model to raise sustainable luxury consumption in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020). Therefore, a better understanding of CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model may raise sustainable luxury consumption in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020).

The participants of this multiple case study were recruited based on the following inclusion criteria: subject matter experts who (a) authored at least five peer-reviewed papers published in scientific journals and indexed on Google Scholar between 2010 and 2020 when undergoing a word search under the term "Circular economy," "Circular economy business model," "online platforms for luxury retailers," "sustainable luxury products," sustainable luxury fashion," and "shift from a linear to a circular business model"; (b) have terminal degrees from accredited institutions; and (c) possess in-depth expert knowledge regarding the topic of the study (see Merriam & Tisdell, 2015).

## Limitations

Yin (2017) defined research limitations as the methodology circumstances that are not controllable by the researcher and influence the interpretation of the research findings. One of the limitations of this study is choosing a suitable method to answer the research question. A detailed audit trail was provided, and triangulation of interview responses, historical literature, and field notes to collect accurate data to answer the research question was conducted (see Guion et al., 2011). Additionally, a comprehensive literature review is included in this study to support the research and ensure the data collected is reliable and valid to address the study's purpose.

Another limitation of this study is selecting participants due to specific inclusion criteria that may limit sufficient participants' recruitment to reflect a good representation of the targeted population. Nevertheless, Schram (2006) argued that a larger sample size could prevent an in-depth, qualitative investigation, and this study aimed to recruit five to 10 participants. This study used an in-depth interview process, and transparency in the participants' responses could constitute a limitation due to the participants' personal bias in their response (Merriam & Tisdell, 2015). Rubin & Rubin (2012) emphasized the importance of building trust between the researcher and the participants to obtain genuine and objective answers from the interview.

Finally, this qualitative study's limitation is the critics of the difficulty of extending the findings to a broader population with the same degree of certainty of quantitative approaches (Ochieng, 2009).  This study used a multiple case approach to allow a more exhaustive exploration of the research question and ensure trustworthiness to mitigate the qualitative research limitation (Eisenhardt & Graebner, 2007). In addition to semistructured interviews, this study used reflective notes and archival data to guarantee reliability (Guion et al., 2011; Yin, 2017).

## Significance of the Study

### Significance to Practice

From a managerial point of view, this study suggests luxury fashion leaders need to consider that sustainability is not only an important area to grant the company a positive branding power, but it may prove quintessential to the development of their business and different stakeholders. The implications of these capabilities to professional practice may help understand today's era in which all customers, including luxury ones, are increasingly sensitive to sustainability issues.

The results of this multiple case study may be used as a guideline for other large retailers to grasp how they can also influence, in their way, their partners toward achieving circularity in their business model. Specifically, luxury brand managers might develop a thoughtful and well-planned CSR strategy by pursuing and monitoring activities (perhaps via internal progress reports) that balance the CE approach with the entrepreneurial initiatives that underlie sustainability. Managers may go the extra step of developing dashboards that assess their CSR efforts in order to maximize their commitment to sustainability, which will contribute to attracting wealthy consumers in mature markets, who desire new forms of luxury that consider sustainability (Blazquez et al., 2020; Gardetti & Muthu, 2018).

This study may also contribute to a more in-depth understanding by fashion leaders of how a shift from a linear business model to a circular business model can be profitable and increase sustainable luxury fashion consumption in mature markets (Donato et al., 2020; Osburg et al., 2020). Exploring how the luxury fashion industry can apply CE principles is significant in outlining how large businesses and their customers and suppliers can work together to develop a sustainable business model for the retail sector. To do this, retailers have to show the way by transforming the way they produce and do business. By adopting a circular business model, luxury fashion leaders may influence their suppliers and sub-contractors to endorse circular transformation and influence consumer purchasing habits (Adam et al., 2017; Hazen et al., 2017)

**Significance to Theory**

There is a dearth of studies in the scholarly literature on how various industry sectors, including the luxury industry, can adopt a CE business model to raise sustainable consumption in mature markets. In an attempt to fill the gap mentioned above, this study may be significant to theory by extending academic knowledge in how luxury fashion leaders can make a profitable shift from a linear to a circular business model in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020). As scholars recommended more empirical studies to gain a deeper understanding of companies' transition towards the new industrial paradigm of CE (Centobelli et al., 2020; Ünal et al., 2019), the results of this study may contribute to creating practitioner-based knowledge for luxury fashion leaders on the circular business model (Mazzeo, 2020; Vignali et al., 2020). The findings of this study may also contribute to the theoretical research on sustainable luxury fashion consumption as growing customer segments are forcing change on the luxury fashion industry by demanding unlimited access to fresh styles and shunning ground retailers for online platforms for sustainable luxury and vintage garments and accessories (Mazzeo, 2020; Mishra et al., 2020)

### Significance to Social Change

Through sustainable consumption, sustainability expands the focus on economic and social dimensions and covers ecological and ethical dimensions (Hörndahl & Dervisevic, 2015; Mathews, 2012). However, there is an imbalance in two critical domains of sustainability: 1) production and 2) consumption. Consumers lack sufficient and reliable information to identify sustainable products and make appropriately informed purchase decisions (Akenji, 2014). Customer values on sustainable consumption greatly influence consumers' purchase behavior (Maniatis, 2016).

Spaargaren (2003) points out the sociological and personal elements in sustainable consumption may improve the quality of life and socio-economic community features. Shifting from a linear economy model to a CE model preserves the value of energy, labor, and materials by designing for durability, reuse, remanufacturing, and recycling to keep products, components, and materials circulating in the economy (Coste-Maniere et al., 2019; Godart, & Seong, 2014). The outcome of this study may drive positive social change by providing fashion industry leader with a better understanding of how a CE business model can generate a positive and broader social contribution for the environment, the employees, the local community of producers, and, as a consequence, the society at large.

## Summary and Transition

Chapter 1 presented an introduction and background of the study, the problem statement, the study's purpose, the research question, the conceptual framework, and the study's nature. The chapter also included the definitions, the assumptions, the scope and delimitations, the limitations, the significance, and the summary. The purpose of this qualitative multiple case study is then to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. This study's findings may inform luxury fashion leaders how to make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets.

Chapter 2 presents the literature review and the literature strategy, and the two concepts used to frame this study and align with its purpose. The literature review covers adopting a CE model as key to the transition to the sustainable luxury fashion business.

# Chapter 2: Literature Review

The social problem is that while luxury fashion leaders publicly support sustainable consumption, their business models remain underdeveloped to address the challenge of sustainable consumption (Donato et al., 2019; Garg, 2020). The specific management problem is that luxury fashion leaders have little understanding of making a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets (Donato et al., 2020; Osburg et al., 2020). As a concept reflecting consumers' values, sustainable consumption has led to the circular business model's proliferation across a wide range of industries (Tunn et al., 2019). Researchers state a lack of available practitioner-based knowledge for luxury fashion leaders to make a profitable shift to a circular business model (Mazzeo, 2020; Vignali et al., 2020).

A gap exists in the scholarly literature on how various industry sectors, including the luxury industry, can adopt a CE business model to raise sustainable luxury consumption in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020). The purpose of this qualitative, multiple case study is to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. In Chapter 2, I present the literature search strategy and the concepts that guide this empirical study. The literature review of this chapter includes a synthesis of knowledge and scholarly work regarding the following topics: challenges of creating sustainable luxury fashion, developing a more sustainable approach to supply chain management, sustainability approaches in the luxury fashion industry, financial transparency, CE leading to cost reduction and sustainable business practices, the effects of COVID-19 on integrating sustainable business models in the luxury fashion industry, and luxury fashion leaders' ability to make a profitable shift to a circular business model in the production lines to maintain consumer trust and future production lines.

## Literature Search Strategy

The literature search strategy section describes the library databases and search engines that have been accessed to select the literature review resources. The identified resources comprise peer-reviewed articles, industrial research, e-books, and doctoral dissertations. The following paragraphs present in detail the literature research process as well as its results.

Several databases were used, including the online Walden University Library, Google scholar and Google books, SAGE Journals, Springer e-books, Taylor and Francis Online, Thoreau Multi-Database Search, EBSCOHost, Emerald Insight, ProQuest Central, ABI/INFORM Collection, and Academic Search Complete. The database searches included journal articles, seminal articles, books, dissertations, and foundational research for methodology.

Most of the resources used for this study's literature review were published between 2016 and 2021. A total of 131 resources were selected for this study, and 67 (51%) were included in the literature review. 99% of the literature review resources are recent publications (less than six years) between 2016 and 2021. Table 1 below summarizes the number of resources used in this study by age and type. Furthermore,

Table 2 below summarizes the number of resources by topics and shows 68% of peer-reviewed articles.

**Table 1**

*Numbers of Resources by Type and Age of Reference*

| Age of references | 2016-2021 | 2009-2015 | 2003-2008 | 1975-2002 |
|---|---|---|---|---|
| Peer-reviewed articles | 75 | 8 | 5 | 3 |
| Conference papers | 5 | 0 | 0 | 0 |
| Industry's reports | 6 | 0 | 0 | 0 |
| Magazine/ blogs | 4 | 0 | 0 | 0 |
| Student's thesis | 1 | 1 | 0 | 0 |
| Books | 19 | 5 | 1 | 0 |
| **Total** | **108** | **14** | **6** | **3** |

**Table 2**

*Numbers of Resources by Topic*

| *Numbers of Resources by Topic*Topics | Peer-reviewed articles | Conference papers | Books | Student's thesis | Industry's reports | Magazines and blogs |
|---|---|---|---|---|---|---|
| Sustainable luxury consumption & CE | 53 | 5 | 15 | 2 | 6 | 4 |
| Methodology | 15 | 0 | 8 | 0 | 0 | 0 |
| Theory | 21 | 0 | 2 | 0 | 0 | 0 |
| **Total** | **89** | **5** | **25** | **2** | **6** | **4** |

Sustainability and CE model are developing topics of interest within the fashion industry; important information was found on Google Scholar and industry publishers. The keywords used in the search included: *Circular economy, Circular economy business model, online platforms for luxury retailers, sustainable luxury products, sustainable luxury fashion,* and *shift from a linear to a circular business model.* To reach complementary results, the above keywords were both used and combined for a systematic review. Additionally, a Google alert was created for sustainability and CE within the luxury fashion industry. Specialized journals in the topic of sustainability, CE, and luxury fashion industry such as *Journal of Cleaner Production, Journal of business strategy, Social Change, Sustainability, Environmental Concerns, and Sustainable Development, Business Strategy and the Environment, Journal of Global Fashion Marketing, Journal of Business Research,* and *Journal of Industrial Ecology* were used.

The following keywords were used in the search to strengthen both the methodology applied to the study and the conceptual framework: *Circular economy, circulareconomy business model, sustainable luxury products, sustainable luxury fashion,* and *shift from a linear to a circular business model.* The word search guided the finding of relevant scholarly publications in various search engines and databases. The keywords were used individually and as a combination of Walden University's online library and Google Scholar to identify peer-reviewed publications.

## Conceptual Framework

This study is framed by two conceptual models that focus on aligning with the purpose of the study, which is to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets: 1) Donato et al. 's (2020) concept of *sustainable luxury consumption* and 2) Chiaroni and Urbinati's (2017) concept of *adopting a circular business model* which "relies on large quantities of easily accessible resources and energy, and as such is increasingly unfit to the reality in which it operates" (p.1). The extant literature identified luxury consumption within mature markets as an expression of wealth, social status, beauty, and knowledge. However, there is little extant literature on how luxury brands can leverage the CE business model to build on their sustainability journey by interfacing the CE paradigm with their entrepreneurial capabilities.

**Sustainable Luxury Consumption**

Donato et al. (2020) define sustainable luxury consumption as a rising concept leveraging luxury firms' competitive strategies and affecting consumers' purchase decisions. Donato et al. grounded their concept of sustainable luxury consumption in the well-known CSR framework (Carroll, 1979, 1991) by connecting the model's dimensions with luxury goods' perceptions (i.e., the distinction between external and internal dimensions). Donato et al. wrote that Carroll's (1979, 1991) CSR framework might be beneficial for future studies exploring the issue of luxury goods consumption. Using this distinction, Donato et al. concluded that consumers with internalized motivation to luxury consumption are more likely to favor initiatives belonging to internal rather than external CSR dimensions; those consumers were driven by internalized values to support sustainable luxury consumption.

Donato et al. 's (2020) concept of sustainable luxury consumption was an extension of Donato et al. 's (2019) previous research on how luxury fashion leaders may consider the CE business model to enhance their sustainability while maintaining their entrepreneurial vision and profitability. With a wide range of applications across industries, sustainable consumption drives a visible impact on the luxury industry by reconciling traditional strategic decision-making, business models, and brand management practice (Gazzola et al., 2017). Firm leaders perceive sustainable luxury as a competitive advantage and affect consumers' purchase decisions (Derval, 2018). Scholars recommend more theoretical research on sustainable luxury fashion consumption. Growing customer segments are forcing a change in the luxury fashion industry by demanding unlimited access to fresh styles and shunning ground retailers for online platforms for sustainable luxury and vintage garments and accessories (Mazzeo, 2020; Mishra et al., 2020).

**Adopting a Circular Business Model**

Chiaroni and Urbinati (2017) define adopting a circular business model as switching from the linear business model that consists of a make-and-dispose process to a sustainable one that creates closed-loop supply chains through a collaborative relationship with external partners. Chiaroni and Urbinati grounded their concept of adopting a circular business model in the value network framework by linking the blocks to the closed-loop supply chains value creation, i.e., circular collaborative business model, circular communication, and circular awareness (Antikainen & Valkokari, 2016; Lieder & Rashid, 2016). A CE business model drives companies to become sustainable by establishing closed-loop supply chains, establishing collaborative relationships with external partners as a supplemental activity to sustainable managerial and organizational practices (Chiaroni & Urbinati, 2017). Chiaroni and Urbinati's research concluded that value network dimensions play a significant role in shifting from a linear business model to a CE and sustainable closed-loop supply chains.

Chiaroni and Urbinati's (2017) concept of adopting a circular business model was an extension of Chiaroni and Urbinati's (2016) previous research on CE from a business model perspective, which highlighted the two dimensions of the business model that companies can use when implementing CE: customer value proposition and the value network. In particular, the CE business model drives companies to reduce environmental impacts, minimize resource consumption, and support the life system, allowing the same companies to gain long-term competitive advantage (Winkler, 2011; Yuan et al., 2006). A limitation to Chiaroni and Urbinati's (2017) research was their leveraging of a single case study design. The authors wrote that a single case study design might not be sufficient to clarify how sustainable operations and collaborative relationships influence the extent to which a closed-loop supply chain is more or less sustainable. Scholars that extended Chiaroni and Urbinati's research on adopting a circular business model continue to recommend more empirical research on understanding companies' transition towards the new industrial paradigm of CE and sustainable closed-loop supply chains (Centobelli et al., 2020; Ünal et al., 2019).

## Literature Review

### Challenges of Creating Sustainable Luxury Fashion

The luxury fashion industry has one of the most prominent global statuses and is valued at over €700 billion worldwide (Athwal et al., 2019). In the meantime, the textile industry in general and the luxury fashion industry, in particular, have the most significant environmental footprint, with a high level of water and energy consumption, high carbon production, high greenhouse emission levels, and soil degradation with toxic water chemicals (Shirvanimoghaddam et al., 2020). The fashion industry is among the industries that negatively impact the environment, both ecologically and socially (Berg & Magnus, 2020). The fashion industry's production costs about 10% of the global CO2 emissions, 20% of global wastewater, 24% of insecticides, and 11% of pesticides (Radhakrishnan, 2020). It uses the most chemical and non-renewable resources and is thus the most contaminating and polluting industry in the world (Ozdamar-Ertekin, 2019). While the luxury fashion industry is not rapidly moving toward sustainable business practices through sourcing, manufacturing, and marketing, its leaders now face a significant business challenge: how to keep creating luxury fashion, for a growing population with disposable income, without further damaging the planet (Athwal et al., 2019; Grant, 2020).

With global textile production now exceeding 100 billion garments annually and excess use of resources previously considered available in unlimited quantities, luxury retailers need to urgently reconsider their adherence to Porter's anachronistic linear take-make-dispose economic model (Jacometti, 2019; Shirvanimoghaddam et al., 2020). Additionally, sustainable luxury fashion leaders are victims of their success and are being scrutinized in terms of sustainability practices due to the industry's global status (Athwal et al., 2019). Consumers, media, and non-governmental organizations increasingly raise awareness and push luxury fashion leaders towards adopting sustainable business practices by demanding more products that have a minimum of environmental and social impact (Jacometti, 2019). Due to the shortage of natural resources and the increased attention on social and environmental sustainability, the textile industry has resource and environmental challenges due to the significant footprint throughout its production and distribution processes (Shirvanimoghaddam et al., 2020).

Another challenge that luxury industries face is the contradiction between luxury fashion consumption and sustainability; the first entails personal pleasure and indulgence; simultaneously, the last is associated with consumption without wiping out resources for future generations (Athwal et al., 2019). The essence of luxury fashion is to convey creativity and beauty via constancy change, and eliminating this dependability change of beauty for the sake of sustainability implies the end of fashion in general (Godart & Seong, 2014). Common thinking opposes luxury to sustainability, prohibiting consumers from naturally associating luxury and sustainability, thus creating a contradiction between the two concepts. The contradiction is in their definitions, implying that luxury is all about an excessive lifestyle; in contrast, sustainability is all about a frugality lifestyle and the attempt to save limited resources for future generations (Kapferer & Michaut-Denizeau, 2020). The fashion industry's symbolism in general and luxury fashion, in particular, are contradictory to sustainability principles as it represents a stylistic trend change produced by a power engine (Godart & Seong, 2014). Furthermore, the current economic system, reflected by the cycle of manufacturing and discarding, damaging the environment, is reinvigorated by the consumption's marketing resistance to change (Athwal et al., 2019).

On the other hand, some believe that there is some possible compatibility between sustainability and luxury (Donato et al., 2020). The luxury fashion industry accentuates quality, uniqueness, durability, and longevity, which share sustainability values in greater durability and extreme quality (Ozdamar-Ertekin, 2019). Sustainability is embedded in luxury since luxury products are all about quality, not quantity, and are made to last longer, thus preserving the environment and its people by encouraging creativity and reducing waste and rapid desuetude of its end products (Kapferer & Michaut-Denizeau, 2020). Nevertheless, some luxury brands are slowly adopting sustainability, with the example of Tiffany by certifying its diamonds as "conflict-free," Chanel by incorporating "earthy materials" in its 2016 collection, and Bulgari by recently funding the restoration of Rome’s Spanish Steps (Donato et al., 2020). Another example of a luxury fashion brand shifting towards sustainable business practices is Louis Vuitton and its green supply chain initiative, which allows the brand to provide a report of its water and electricity consumption to the public (Ozdamar-Ertekin, 2019).

With the high volume of worldwide textile production, adopting sustainable business practices such as recycling and reusing could decrease the environmental footprint and solid landfill waste (Shirvanimoghaddam et al., 2020). Luxury fashion leaders need to incorporate environmental concerns and innovation into their business models to get away from the take-make-waste model and fit into future markets (Radhakrishnan, 2020). The fashion industry could reduce the environmental footprint by considering the reuse of textiles and recycling to decrease solid waste and energy consumption (Shirvanimoghaddam et al., 2020). For a long time, the luxury fashion industry has been left out of sustainability due to its small size compared to other industries and the low purchase frequency of luxury goods compared to fast fashion goods (Kapferer & Michaut-Denizeau, 2020). Additionally, luxury goods’ characteristics and definitions are partially contradictory and partially compatible with sustainability's characteristics and definitions (Kunz et al., 2020).

Although there is not enough research available to help with the transition to sustainability, tools that include energy recovery, life-cycle assessment and costing, design for remanufacturing, and disassembly could help luxury fashion's complex supply chain networks integrate sustainable business practices (Grant, 2020). Based on the challenges mentioned above, only a few academic research types exist and are limited on products, not on the fashion industry itself, creating a lack of available research that could foster a more sustainable luxury fashion industry (Athwal et al., 2019). For innovation and competitiveness, the luxury fashion industry has to find a way to implement sustainable business practices (Kunz et al., 2020). Incorporating sustainable business practices could benefit the luxury fashion industry by protecting and promoting the brands via the incorporation of social expectations, by saving costs with the decrease of waste and raw material use, and by increasing financial performance, and by getting a competitive advantage within a market niche (Godart & Seong, 2014).

## Developing a More Sustainable Approach to Supply Chain Management

Luxury fashion brands are very protective of disclosing their business practices in general and their particular supply chain operations. It leads to a perception that their production system is well organized and retailers own manufacturing facilities (Jestratijevic et al., 2020). However, numerous scandals denounced dysfunctionality within the luxury fashion industry's supply chain system. For instance, in 2017, the shoes made by another well-known luxury fashion brand Louis Vuitton were reported to be made in Romania then send to Italy for final production and stamped "Made in Italy" (Karaosman et al., 2018). Additionally, Burberry, a well-known luxury fashion brand, admitted to destroying $37 million worth of their unsold luxury products through incineration, an ecosystem degradation process that is standard supply chain practice in the fashion industry (Ozdamar-Ertekin, 2019). Finally, luxury products from Hermès, Dior, and Louis Vuitton made for children were tested positive, revealing hazardous chemicals, and Dior has ranked last on a scale of luxury brands that disclose their sustainable business practices (Karaosman et al., 2018).

Sustainability in the luxury fashion industry requires a reevaluation and change of the current supply chain model and the final products' production, which calls for sustainable exploitation of scarce raw material (Kunz et al., 2020). The fashion industry's supply chain is complicated and lengthy. The fashion supply chain is usually complexed and segmented into three, including raw material cultivation, processing, and finalization (Jestratijevic et al., 2020). Furthermore, it is geared towards low labor costs countries and has one of the highest social and environmental impacts through pollution, water consumption, and an unhealthy working environment (Jacometti, 2019).

Outsourcing the production to countries where labor and raw material are cheap contributes to the luxury fashion industry's supply chain network's fragmentation and complexity, making transparency implementation difficult and expensive for fashion manufacturing (Ozdamar-Ertekin, 2019). The fragmentation and complexity of luxury fashion supply chain systems leave room for several issues impacting sustainability and ranging from environmental misuses to human abuses (Jestratijevic et al., 2020). The main reasons behind the secretive behavior of sustainable luxury fashion brands include avoiding disclosing their non-compliance of suppliers, protecting the brands' reputation, and the fact that it is difficult to monitor the entire supply chain system due to the change of regulations from one country to another (Jestratijevic et al., 2020). Implementing transparency of the supply chain could build trust between luxury fashion brands and consumers as they become more conscious of sustainability and demand it (Ozdamar-Ertekin, 2019).

The supply chain system's fragility could easily be disrupted by the rapid change of consumer preference, a decrease in the number of suppliers, and, more recently, the COVID-19 pandemic (Grant, 2020). To truly become sustainable, the luxury fashion industry must institute sustainability across its entire supply chain system (Kunz et al., 2020). However, the pandemic could create opportunities for a more sustainable luxury fashion industry. With manufacturing facilities closure, orders cancellation, and workers lay-off during the pandemic, COVID-19 allowed luxury fashion brands their entire sustainability framework and improved the configuration, transparency, and visibility of their supply chain network ("Is Covid19 an opportunity", 2020).

Stakeholders expect luxury fashion brands to reconfigure their supply chain system towards a more sustainable one by delocalizing their production operations from the low labor developing countries to those industrialized and wealthy countries where most of the consumers are located ("*Is Covid19 an opportunity*", 2020). The pandemic has also imposed substantial transformation to the fashion industry with a wave of online fashion events in the short run and, in the long- run, a decrease of production in the low labor cost countries, implying an equal share of environmental cost around the globe (Almila, 2020). With luxury fashion brands fronting pressures from the mid-market fashion industry through decedent price difficulties with less predictability and increased variability of products, a sustainable luxury supply chain is crucial (Karaosman et al., 2018).

While incorporating sustainable business practices into the already long, complicated, and fragile luxury fashion's supply chain network could be disruptive, there is an increased pressure put on luxury fashion leaders from global businesses and stakeholders (Grant, 2020). A sustainable supply chain system goal is to satisfy stakeholders' expectations by incorporating social responsibility, environmental efficiency, and organizational profit improvement (Karaosman et al., 2018). A shift to a sustainable supply chain system means social, environmental, and economic considerations, which could provide a significant competitive advantage to luxury fashion brands by addressing human rights, safety, and the environment (Chiaroni & Urbinati, 2017). An implementation of a sustainable supply chain network requires not only the consideration of the three dimensions – people, planet, and profit – but also a collaboration between those involved in the system, a good flow of capital and information, and an organization of the material (Karaosman et al., 2018). A sustainable supply chain could help luxury fashion brands reduce their environmental footprint by building collaborative relationships with partners from different locations (Chiaroni & Urbinati, 2017).

## Sustainability Approaches in the Luxury Fashion Industry and Financial Transparency

The 2008-2009 financial crisis has significantly impacted consumers' purchase capability, which has pushed the fashion industry, in general, to cut corners and offer affordable garments, implying an increased cost for the social and environment with landfill waste, water pollution, and chemical use (Blazquez et al., 2020). Using child labor, environmental pollution, and bad working conditions with long working hours and low wages are the main unsustainable characteristics attributed to the fashion industry (Blazquez et al., 2020). Moreover, Luxury fashion brands are very secretive about their business practices, making it difficult for financial analysts to quantify the scale of the problems related to unsustainable practices (Jestratijevic et al., 2020).

Minimal luxury fashion brands attempt to disclose their sustainable business practices. That attempt is sometimes not effectively done, which leads to the perception that luxury fashion brands do not understand how to communicate their sustainability (Osburg et al., 2020). For example, there is no single brand within the fashion industry that discloses the list of banned chemicals that could directly impact the safety and health of those working in the production factories, notwithstanding the announcement of those brands implementing chemical regulation policies (Jestratijevic et al., 2020). Studies in the luxury fashion mentioned that the level of transparency within luxury fashion brands is lower than that of mid-market fashion brands (Athwal et al., 2019).

Consumers sometimes perceive sustainable fashion as costing more during production, implying a price increase of the end product in the market (Blazquez et al., 2020). The misinterpretation of sustainable fashion by consumers calls fashion industry leaders to communicate their sustainable business practices to avoid confusion and educate consumers (Blazquez et al., 2020). There has been increasing criticism of the luxury fashion industry on unsustainable behavior and resource utilization, including the lack of supply chain network transparency, the low workers' conditions in the production factories, the incineration of unsold stock, and animal abuse (Osburg et al., 2020).

Despite all the unsustainable behavior displayed by luxury fashion brands, there is not much change driven by luxury consumers (Osburg et al., 2020). More recently, there has been increased pressure on luxury fashion leaders from stakeholders such as NGOs to disclose their corporate practices since transparency is essential for sustainability reporting (Jestratijevic et al., 2020). One of the biggest challenges luxury fashion brands face when attempting to adopt sustainable business practices is that it is perceived as cynical, which could be explained by the fact that luxury fashion consumers underestimate sustainable initiative efforts. They do not contribute to driving the business towards more sustainable practices (Osburg et al., 2020).

Researchers in luxury fashion urge the brands to adopt transparent methods on sustainable business practices to enhance luxury consumers' awareness of the brands' efforts towards sustainability (Athwal et al., 2019). Transparency in the fashion industry is vital as it fosters constant business awareness, openness for innovation, and an essential condition to achieve behavioral change (Jestratijevic et al., 2020). Sustainability reporting aims to improve value creation and transparency by helping organizations set goals, gauging their performance, and making changes that could arise for better sustainable business practices (Garcia-Torres et al., 2017). Sustainability reporting is when a company voluntarily discloses its business practices' effects on environmental, social, and financial aspects (Jestratijevic et al., 2020).

Sustainability reporting – whether financial or non-financial- is based on disclosing the business practices' effects on society, the environment, and the economy and should be periodically produced and made available to stakeholders (Garcia-Torres et al., 2017). Sustainable reporting has the advantage of providing clear, reliable, and accurate information that could help advance the industry on sustainable business practices (Jestratijevic et al., 2020). The advantages of sustainable business practices transparency go from sourcing with the production to consumers with the end product by reinforcing trust between the production partners and the loyal customers (Muthu, 2018). Furthermore, clear communication from luxury fashion brands would foster consumers' education and information on their sustainable business practices, engaging even the more skeptical consumers (Mukendi et al., 2020).

## Consumers Behaviors Towards Sustainable Business Models

Fashion sustainability illiteracy supports a lack of consumer awareness of sustainable business practices within the industry, thus slowing down the creation and offerings of sustainable products, considering that shopping orientation factors and fashion orientation significantly influence consumers' behaviors (Blazquez et al., 2020). The perceived sustainable consumers do not always apply theirs believes in sustainability when purchasing sustainable luxury fashion, while the sustainable business model heavily relies on their support and acceptance (Hasbullah et al., 2020). Most luxury fashion consumers are not willing to scarify their wants for sustainability. They hesitate to move brands towards sustainable fashion products because of their perception of fashion products being expensive and require a downgrade of the design's quality (Lee et al., 2020). Some fashion customers believe that sustainable fashion products require an increased production cost, which leads to a perceived higher price and prevents them from accepting sustainable fashion products (Blazquez et al., 2020).

Consumers rarely rationalize their motivations to purchase when making a decision; they are usually influenced by their knowledge and social rules, beliefs, subjective and emotional thoughts; they rarely rationalize their motivations (Elzinga et al., 2020). Studies showed that consumers are reluctant to the idea of luxury brands becoming "too green" as they perceive green products to have lower quality with a higher price (Lee et al., 2020). While research showed that fashion consumers do not differentiate between organic raw materials and sustainable fashion due to the lack of awareness of how sustainability could be integrated within fashion, consumers that are eager to purchase sustainable fashion at a premium price are those who worry about the environment (Blazquez et al., 2020). The misinterpretation of a sustainable luxury product comes from the lack of information available to consumers on luxury fashion brands' resource allocations during their production, creating room for assumptions such as green products do not have good value but are ethically better (Lee et al., 2020).

In general, consumers are becoming more aware of what they consume and prefer sustainable products compared to non-sustainable products at the same price (Alonso-Almeida et al., 2020). On the demand side, wealthy consumers in mature markets desire new forms of luxury that consider sustainability (Blazquez et al., 2020; Gardetti & Muthu, 2018). An increasing number of consumers are willing to pay a higher price for the perceived added value that a sustainably manufactured product has with the care for people and the planet (Alonso-Almeida et al., 2020). Luxury fashion brands need to find innovative ways of communicating their sustainability business model to their consumers since many luxury fashion consumers approve of sustainability ideas and recognize the importance of protecting the environment, even though their current fashion buying choice is not aligned the ethical consciousness (Lee et al., 2020).

Fashion brands are making great efforts to move towards the adoption of sustainable business models starting at the production level, and those initiatives are not disclosed to the public as they are internal, thus unknown to consumers (Alonso-Almeida et al., 2020). With technology advancement and the rise of social media, luxury fashion brands have innovative methods to promote their products by interacting with consumers on social media via user-generated content, reflecting luxury fashion brand content generated by the general public (Hasbullah et al., 2020). Researches showed that user-generated content is one of the most effective consumer interactions on social media that could influence sustainable luxury consumption more than any other source from consumers' network accumulation of reliable information (Hasbullah et al., 2020).

The lack of information about consumers' benefits of sustainable consumption and the misunderstanding of what that initiative is and how they are reflected in the final product made consumers less engaged with sustainable business practices (Alonso-Almeida et al., 2020). Sustainable production will not be successful without sustainable consumption because fashion brands cannot survive without consuming their products by the consumers (Ma et al., 2019). Adopting sustainable consumption is essential to safeguard our planet for future generations, which involves decreasing the impacts of luxury fashion's row material utilization, manufacturing, and consumption while satisfying consumers' needs (Tunn et al., 2019). The fashion industry's adoption of sustainable consumption is reflected by the rise of second-hand fashion, slow fashion, and eco-innovation, even though they do not appeal to most fashion consumers (Alonso-Almeida et al., 2020).

Technology has created a perfect digital platform for exchange that supports second-hand fashion and empowers consumers looking for more affordable luxury products while reducing landfill waste and decreasing the environmental footprint (Ryding et al., 2018). A meaningful amount of fashion product waste could be recycled and re-used. Studies showed that more than 95% of textiles and 30% of non-clothing fabrics are reusable via sustainable alternative consumptions such as second-hand fashion (Hur, 2020). When the life of clothing is extended by only nine months of active use, it reduces the waste of water and the carbon production on the environment by about 20% to 30% (Hur, 2020). With the luxury fashion industry, changes in consumption patterns due to consumers' perception of prices as exorbitant contribute to building a luxury resale market that offers "more affordable" luxury products and an opportunity to spend less money (Kessous & Valette-Florence, 2019).

Demand for sustainable consumption and production will continue to increase, and luxury fashion brands must become more educative to consistently adapt to their consumers' mindset changes (Muthu, 2018). Studies on consumers' motivations to purchase first-hand versus second-hand luxury products showed that the first one is driven by quality, power, and social consumers', while the second one is associated with conscious environmental concerns, social climbing, and brand heritage (Kessous & Valette-Florence, 2019). As a concept reflecting consumers' values, sustainable consumption has led to the circular business model's proliferation across a wide range of industries (Tunn et al., 2019). Consumers play a vital role in the success of a CE, as their acceptance of the business model entailing to change from a linear model is critical (Alonso-Almeida et al., 2020). Studies showed that the CE business model adoption has a positive impact by creating value for both the consumer and the company itself (Elzinga et al., 2020).

**The CE Leads to Cost Reduction and Sustainable Business Practices.**

Over the past few years, it is observable that the CE concept that explained various ideas to leave the depression of the economy behind itself with two essential milestones published in 2012 are low-carbon systems and bioeconomy (Adam et al., 2017). The CE can be defined as the consumption and production model involved with recycling, reusing, leasing, and sharing products and materials (Bezama, 2016). The CE model aims to manage waste materials through essential planning properly and demonstrates a service or industrial system that is the substitute for the concept' end-of-life' by offering several options, such as using renewable energy sources, reconstructable (Adam et al., 2017). The CE helps explain a model related to the economy that splits development and growth since it is known as a global model and is based on a specific resource consumption system (Bezama, 2016).

Although the circular economic models are applied in different ways for the different industries as the CE elements are different from one industry to another, a fundamental element of the CE is reuse (Centobelli et al., 2020). The business model uses remanufacture, refurbish, and repair that is important for manufactures (Centobelli et al., 2020). The initial three keywords – remanufacture, refurbish, and repair – of the CE model primarily focused on recycling have evolved and expanded to nine Rs – refuse, reduce, reuse, repair, refurbish, remanufacture, repurpose, recycle, and recover – known as priority levels of circulation (Jacometti, 2019). In 2012, Ellen MacArthur Foundation identified four primary mechanisms needed for redesigning the CE system: cooperation of cross-sector, innovative business model introduction, cascades and cycles redirection manufacture, and planning circular products (Hopkinson et al., 2020).

One of the advantages of CE models is that they lead to the development of branches that push cooperation between market actors and markets depends on local resources (Chiaroni & Urbinati, 2016). The CE flows with two cycles: biological cycles and technological cycles based on closed systems (Chiaroni & Urbinati, 2016). According to (Esposito et al., 2018), three basic principles of the CE are output principle, input principle, and sustaining cycle principles, which help design a CE. The idea of a CE is primarily famous for entrepreneurship and strategies of the governments since the vital side of the CE is that it splits the economy's growth from the input requirements that are increasing, and it helps with innovation and development of the economy (Esposito et al., 2017).

The new building blocks of the economy are a sharing platform that can modify the business process interpretation and assist using the system-level modifications (Esposito et al., 2017). While the CE has several essential roles in business sustainability and cost-saving, it still has some barriers, such as meeting consumers' expectations and waste creation through governmental regulations. It is challenging to live a life without producing any waste material, but it is possible to live trash-free life based on the reuse of products, but, in this case, the choice of customer matters (Lieder & Rashid, 2016). Moreover, it is possible to create waste through governmental regulations because of the unintentional creation of wastes due to government and government regulations and companies and consumers (Mishra et al., 2020). To solve these barriers, consumers, companies, and governments must use the resources from nature, and it is essential to be aware of the benefits of the CE (Moorhouse & Moorhouse, 2017). The CE model benefits can be explained through water and reuse prevention measures that help save almost 600 billion dollars, almost 8% of the US companies' yearly turnover (Morseletto, 2020).

Over the past decade, scholars confirmed that the CE model preserves the value of energy, labor, and materials by designing for durability, reuse, remanufacturing, and recycling to keep products, components, and materials circulating in the economy (Coste-Maniere et al., 2019; Godart, & Seong, 2014). Sustainable business models are drive-by innovation and the use of new technologies, which are proven to be profitable for companies in general through cost savings and consumer satisfaction (Muthu, 2018). The

CE model benefits also include reducing greenhouse gas emissions, the environment's pressure, security improvement of raw materials, raising the economy's growth, job-creating, and increasing competitiveness (Morseletto, 2020). The CE model needs to apply in the renovating process of planning to keep the product and its parts on the preferable value while providing an opportunity for new service or product introduction and reduces the procurement risks and costs regarding the resources (Bezama, 2016).

A sustainable organization shows more effectiveness supported by proper ecological, social, and financial frameworks, and a CE is ended with practical methodologies and models that are important for sustainable business (Kerli & Gjerdrum, 2019). Therefore, the CE concept is essential to revamp the direct take, transfer, and influence the economic model as it is based on developing frameworks in which products are reused and kept in a use and creation circle that helps in sustainability (Kerli & Gjerdrum, 2019). Luxury fashion brands must improve their suitability transparency to succeed in the CE business model since sustainability needs to be applied to all of the luxury fashion products' life cycles (Muthu, 2018). A CE business model's success depends on customers who contribute by giving, asking for, and accepting innovative and durable products to increase money-saving and life quality on a long-term basis (Morseletto, 2020).

Since the ecological impact of the luxury fashion industry is present from the manufacturing of the products to the product disposal, including the transportation and the selling, the luxury fashion industry sustainability requires a commitment of everyone involves, including the brands, the customers, the retailers, the manufacturers and even the farmers (Muthu, 2018). Although previous studies have been conducted on the CE topic, not many explored the cost-saving aspect of a CE model, particularly within the luxury fashion industry (Gardetti & Muthu, 2018). A CE business model could boost sustainable consumption with consumers' needs satisfaction via a new business model, the production process transformation, and new forms of consumption (Tunn et al., 2019).

**COVID-19 Pandemic Effects on Integrating Sustainable Business Models in the Luxury Fashion Industry.**

While luxury fashion leaders publicly support sustainable consumption, their business models remain underdeveloped to address the challenge of sustainable consumption (Donato et al., 2019; Garg, 2020). Since Covid-19, twenty-four provisional governments in China have been closed for economic transactions and goods transactions (Roberts-Islam, 2020). The current pandemic situation has a strong effect on the country's economies, and due to the lack of transportation of the goods, the industries were outrunning the raw materials (Zucchella & Previtali, 2019). The Covid-19 crisis now challenges industry fashion leaders to rethink their environmental practices (Roberts-Islam, 2020; Sarkis et al., 2020).

The pandemic has primarily impacted the supply chain that acquires a large extent on the luxury and fashion industry's crucial facet, which forced the brands' leaders to re-think their supply chain management that has two things to be taken care of: CE and consumer behavior (Zucchella & Previtali, 2019). In general, the concept of supply chain management works effectively only if the production is lessened, and that is subjected to a lack of profit. Nevertheless, $138 million transactions have been canceled during the pandemic in South Asian countries like Myanmar (Roberts-Islam, 2020). Hence, the fashion industry's different brands are in the dilemma of what measures they should develop (Sarkis et al., 2020). The raw materials in Australia's different fashion brands are imported from China and Bangladesh, subjected to COVID cases; thus, the supply has been lowered and cut off (Zucchella & Previtali, 2019).

The decrease of the economy has developed an opportunity for small fashion houses to grow in the shadow of more prominent brands. Hence the mutual benefits have been assessed for both the companies (Winkler, 2011). The smaller brands have solved the acquisition issues related to raw materials for clothing with brand extension and new market research (Septianto et al., 2020). The fashion industry has been developed to apply brand extension practice, which is a concept that the Fashion houses came up with developing COVID situations and those impacts on the fashion houses' economy and industrial aspects (Winkler, 2011). The importance of increasing the model in terms of the COVID situation has been acquired and assessed from the leading fashion brands subjected to develop a new marketplace after the pandemic and the importance of the brands (Septianto et al., 2020).

On the other hand, Sarkis et al. (2020) stated that after the COVID situation, people had been concerned with the development of the new markets and the changed behavior of the consumers. The consumer's behaviors in these terms have changed a lot, and this is also a reason for the enhancement of the advertising and marketing of fashion products (Septianto et al., 2020). According to a US survey, people have bought three standard products than fashion products during the pandemic situation. They prefer buying essential things more than buying fashion products due to the lack of importance of new markets (Sarkis et al., 2020). It has been observed that the US has been effective in handling the situations well, and they have made 3.2% more profit in terms of fashion products than other countries (Roberts-Islam, 2020).

Nevertheless, there are profound impacts observed during the COVID situation, subjected to the development of fashion branding (Roberts-Islam, 2020). The branding and fashion houses have been assessed in terms of a country's redevelopment, and the redevelopment of the economy is subjected to a realignment of the marketing strategies (Cohen, 2020). The fashion houses apply branding in terms of the development of the country's economy, and the behaviors of the consumers have also been changed that are subjected to COVID situations and their effects (Roberts-Islam, 2020). The phenomena can also be accomplished with the fashion brands depending upon the country (Cohen, 2020).

Covid-19 has significantly impacted the world in general, and the fashion industry in particular with almost 80% of fashion stores that has been closed and the positive outcome of it is that brands' leaders are willing to become more sustainable and more transparent with their manufacturing and supply chain models (Rabimov, 2020). Sustainability is a compelling context in terms of the COVID situation; with the assessments' help, fashion houses are helpful and can be benefited from mitigating the problems of raw materials. The minimum usages of the resources and gaining the maximum profits possible is the motive of the brands. The enhancement of sustainability can be assessed in terms of the analyses of Urbanmeisters.Com (2020).

**Luxury Fashion Leaders and a Profitable Shift to a Circular Business Model**

While the fashion industry is one of the most significant economic contributors, it is also one of the most polluting industries worldwide with its complex supply chain system, landfill waste, and its product consumption has double over the past years (Prostean et al., 2020). Until now, the luxury fashion industry extracts a considerable quantity of finite resources during clothes production that are not used for an extended period and end being incinerated or sent to the landfill, not recycled. That practice negatively impacts the environment, leading to an environmental catastrophe 30 years from now (Vignali et al., 2020). The linear operational business model presents an enormous negative impact on the planet, the people, and the fashion brands' profit by undervaluing the economic opportunities that come with operational efficiency (Prostean et al., 2020).

Research showed that there will be a regression of earnings before interest and tax (EBIT) by over three percentage ten years from now if the fashion industry does not transition to a more sustainable business model, such as adopting a CE (Vignali et al., 2020). The take-make-dispose economy model lacks efficiency in operational resource use. It begs for an innovative and sustainable economic model that favors circulatory, allows resources use efficiently while extending the final product life cycle, decreasing landfill waste, thus economically benefiting the company through savings of the material cost and a decrease of environmental burdens (Prostean et al., 2020). As sustainability grows and becomes global, its requirements are challenging to the old business model and how it creates value and provides organizations with an opportunity to rethink their operations and engage differently with their stakeholders. That calls for understanding and applying the new sustainable business models, such as the CE business model (Aagaard, 2018).

To endorse the much-needed transition to sustainable business practices, an alternative to the existing linear economy business model is the CE business model as its purpose is to allow regeneration and restoration to maintain the materials' and the products' value and utility to their maximum all the time (Guldmann & Huulgaard, 2020). Luxury fashion brands are key players to help the world reach its two °C average global warming goal by shifting from its make-take-waste linear business model to a more sustainable CE business model. The sustainable CE is beneficial to the environment and expands the product's life cycle, and decreases non-renewable raw material use (Vignali et al., 2020). When transitioning to a sustainable business model, it is crucial to relate the business's mission and the sustainability concept to successfully reflect organizational social responsibility into its competitive strategies and fundamental business values (Aagaard, 2018).

Adopting a CE business model implies incorporating recurrences in the end product's life cycle, starting from its design to its use. As more customers are becoming aware of social and environmental issues, the fashion brands that are slow in shifting from a linear business model to a circular one will not be competitive in the market (Prostean et al., 2020). The CE business model involves sustainable activities such as recycling, reusing, and reducing the production's finite materials throughout the distribution and consumption of the final product (Guldmann & Huulgaard, 2020). A shift from linear to circular business economy model comes with innovating how to conduct business that increases benefits and operational effectiveness, reducing waste of resources such as energy, water, and land while increasing positive environmental and social impact (Vignali et al., 2020).

Adopting a CE business model allows luxury fashion brands to change how they operate and create a regenerative economy (Guldmann & Huulgaard, 2020). There is a need to identify, apply, and implement the new sustainable business models, including the circular business model (Aagaard, 2018). Even though existing literature examines sustainable business models, there is not much literature on how the concept could practically be applied to the business's operations (Guldmann & Huulgaard, 2020). Researchers state a lack of available practitioner-based knowledge for luxury fashion leaders to make a profitable shift to a circular business model (Mazzeo, 2020; Vignali et al., 2020).

The textile industry in general and the fashion industry, in particular, are known for their negative impacts on society and the environment with unsustainable business practices such as the incineration of the brand's unsold products, the lack of transparency of its complex supply chain system, and the unethical working conditions in the production factories (Osburg et al., 2020). Luxury fashion brands must move away from the linear business model and take advantage of the environmental and economic benefits of integrating sustainability in their current business practices (Salvador et al., 2020).

With an increased social and environmental burden on luxury fashion brands, studies showed that adopting sustainable business practices is crucial for brands. It could guarantee their success in the long term by safeguarding the brand's competitiveness through a positive impact on customers' eagerness to buy the products, which could be spread out throughout the consumer's network via positive word-of-mouth (Osburg et al., 2020).

Academic researchers play a significant role in helping practitioners in luxury fashion take advantage of the benefits of sustainable business practices since there is a rapid market increase of luxury consumers globally (Osburg et al., 2020). Shifting from the traditional linear economy business model to a CE business model means changing some aspects of the existing business model. That could pose challenges to fashion businesses as the end goal is to remodel the entire supply chain and extend to the maximum the life cycle of the product (Mishra et al., 2020). A company business model describes how its operations, from the production to final products, how to row materials are transformed to produce value to the organization and constitutes the hyphen between the organizational operations and its strategy by ensuring customer satisfaction and investor profitability (Salvador et al., 2020).

Considering the importance of the environmental damages that the linear economy business model has posed (Vecchi, 2020), the brands must move towards circulatory. However, the shift is not uniform and follows different industry patterns to the other and from one country, the other (Mishra et al., 2020). Some practitioners and researchers in the luxury fashion field agreed that implementing a new business model is the key to smoothly transition from a linear business model to a circular model to ensure its applicability to all brands (Salvador et al., 2020). The existing literature on CE highlights two principal avenues to implement CE: the first one being the "born circular" and the second one being "growing circular" or integration of circularity in an existing business model (Zucchella, 2019).  The "born circular" economy is built from scratch from newly created companies and is better equipped to succeed in the sustainability implementation compared to the existing business models that have to go through transformation or renovation (Zucchella, 2019).

Practitioners and researchers in the field of luxury fashion argued that developing a new business model could be drastic for both the brand and its stakeholders (Salvador et al., 2020). Instead, they suggest a "growing circular" model or an integration of the CE business model features such as waste value creation and increasing the usage of resources and products - into the existing linear one to facilitate the transition (Salvador et al., 2020). The goal behind integrating circulatory into an existing business model is to continue operating the idea to do business and creating value while safeguarding the planet through closing the resource loops (Zucchella, 2019).

Circulatory comes with advancing new business models that could evolve from the existing ones to close the product loops from the production to its final use, thus encouraging innovation and a new mindset that would economically befit the company in the long run (Mishra et al., 2020). Circular product designs and circular services are two main ways to slow and close supply loops by creating durable products and offer consumers an option to refurbish, repair, upgrade, remanufacture, or recycle (Guldmann

& Huulgaard, 2020). Adopting CE models aids in preserving our current and future needs by recycling and effectively utilizing and processes resources already in use; it aids us in understanding core areas and opportunities for better consumption by understanding what we are currently using (Esposito et al., 2017).

Although luxury fashion brands are making efforts to move away from the traditional linear model, their leaders have little understanding of making a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets (Donato et al., 2020; Osburg et al., 2020). The CE business model safeguards natural and finite resources for future generations and generates economic benefits for society. It generates value from the existing product and not consuming supplemental material, and researchers approximate cost savings of US$1 trillion from CE five years from now (Esposito et al., 2017). Converting to a CE requires renovating the existing business model or inventing a new one, which could be challenging for brands as it requires a profound reevaluation of the different channels involved in the product production, such as the suppliers and the supply chain system itself (Ferasso et al., 2020).

CE implementation necessitates some disruption in technology and the existing business model, as mentioned above, but involves finding a way to convince the consumers to accept the products and deal with stakeholders who may lose out in the short-run (Esposito et al., 2018). All the shifting and adaptation that requires implementing a CE impact products' value, and brands need to find innovative ways to maintain and even increase them (Ferasso et al., 2020). Although many studies have been conducted on the CE, researchers state a lack of available practitioner-based knowledge for luxury fashion leaders to make a profitable shift to a circular business model (Mazzeo, 2020; Vignali et al., 2020). A gap exists in the scholarly literature on how various industry sectors, including the luxury industry, can adopt a CE business model to raise sustainable luxury consumption in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020).

**Identifying the Literature Gaps**

Sustainable luxury consumption leverages luxury firms' competitive strategies (Donato et al., 2020). It affects consumers' purchase decisions that have a wide range of applications across industries and driving a visible impact on the luxury industry through the reconciliation of traditional strategic decision-making, business models, and brand management practice (Gazzola et al., 2017). Firm leaders perceive sustainable luxury as a competitive advantage and affect consumers' purchase decisions, and scholars recommend more theoretical research on sustainable luxury fashion consumption (Derval, 2018).

Adopting a circular business model means switching from the linear business model that consists of a make-and-dispose process to a sustainable one that creates closed-loop supply chains through a collaborative relationship with external partners (Chiaroni & Urbinati, 2017). A CE business model drives companies to become sustainable by establishing closed-loop supply chains, establishing collaborative relationships with external partners as a supplemental activity to sustainable managerial and organizational practices (Chiaroni & Urbinati, 2017). Scholars continue to recommend more empirical approaches to understanding companies' transition towards the new industrial paradigm of CE and sustainable closed-loop supply chains (Centobelli et al., 2020; Ünal et al., 2019).

In an attempt to fill the gap mentioned above, this study may be significant to theory by extending academic knowledge in how fashion leaders can leverage existing sustainable concepts in improving production activities and their bottom line in the long run by meeting consumer demands (Chiaroni & Urbinati, 2017; Donato et al., 2020). Additionally, scholars recommend more empirical studies to understand companies' transition towards the new industrial paradigm of CE (Centobelli et al., 2020; Ünal et al., 2019). This study's results may contribute to creating practitioner-based knowledge for luxury fashion leaders on the circular business model (Mazzeo, 2020; Vignali et al., 2020). Finally, the findings of this study may also contribute to theoretical research on sustainable luxury fashion consumption. Growing customer segments are forcing a change in the luxury fashion industry by demanding unlimited access to fresh styles and shunning ground retailers for online platforms for sustainable luxury and vintage garments and accessories (Mazzeo, 2020; Mishra et al., 2020).

This study may also contribute to a more in-depth understanding by fashion leaders of how a shift from a linear business model to a circular business model can be profitable and increase sustainable luxury fashion consumption in mature markets (Donato et al., 2020; Osburg et al., 2020). By adopting a circular business model, luxury fashion leader may influence their suppliers and sub-contractors to endorse circular transformation and influence consumer purchasing habits (Adam et al., 2017; Hazen et al., 2017). This study's outcome may drive positive social change by providing fashion industry leaders with a better understanding of how a CE business model can generate a positive and broader social contribution for the environment, employees, the local community of producers, and society.

## Summary and Transition

This Chapter conducted a thorough literature review and critical analysis of scholarly research on the core concepts of CE and sustainable luxury fashion consumption. The knowledge gap that may hinder the successful adoption of the CE business model from increasing sustainable consumption in a mature market was included in this Chapter (Chiaroni & Urbinati, 2017; Donato et al., 2020). Existing literature suggests a lack of available practitioner-based knowledge for luxury fashion leaders to make a profitable shift to a circular business model (Mazzeo, 2020; Vignali et al., 2020). The Chapter comprised two fundamental concepts for the conceptual framework. The two concepts help align with the study's purpose: describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. The literature search consisted of identifying key terms, and specialized journals and databases were used for the literature review.

Luxury fashion brands are making efforts to move away from the traditional linear model. However, one of the challenges faced by its leaders is that they have little understanding of how to make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets (Donato et al., 2020; Osburg et al., 2020). Researchers state a lack of available practitioner-based knowledge for luxury fashion leaders to make a profitable shift to a circular business model (Mazzeo, 2020; Vignali et al., 2020). Additionally, many studies have been conducted on the CE. However, researchers state a lack of available practitioner-based knowledge for luxury fashion leaders to make a profitable shift to a circular business model (Aagaard, 2018). Therefore, there is a need to focus on sustainable luxury consumption empirical research on successfully transition from the existing linear economy business model to a CE business model (Chiaroni & Urbinati, 2017).

In the next chapter 3, the methodology is presented using the qualitative research method for this study, a multiple case study research. Additionally, the research design and rationale, the researcher's role, the methodology about recruitment, and participation and data collection are presented in chapter 3. Finally, the data analysis is included in chapter 3, and it addresses the trustworthiness and ethical procedures questions.

# Chapter 3: Research Method

The purpose of this qualitative, multiple case study is to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. To meet the study's purpose and address this documented knowledge gap among luxury fashion leaders, and consistent with the qualitative paradigm, a multiple case study design (see Yin, 2017) was used to collect data from a purposeful sample of CE business experts. Conducting semistructured interviews with experts knowledgeable about various subject topics using purposeful sampling can yield rich answers to the CRQ while also emphasizing the experts' perspectives that affect social practices in a field of action (Döringer, 2020). The open nature of expert interviews allows collecting data from experts' breadth of knowledge and experience in research fields that still need exploring (Littig & Pöchhacker, 2014).

The Covid-19 crisis now challenges industry fashion leaders to rethink their environmental practices (Roberts-Islam, 2020; Sarkis et al., 2020). While luxury fashion leaders publicly support sustainable consumption, their business models remain underdeveloped to address the challenge of sustainable consumption (Donato et al., 2019; Garg, 2020). A gap exists in the scholarly literature on how various industry sectors, including the luxury industry, can adopt a CE business model to raise sustainable luxury consumption in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020).

Exploring how the luxury fashion industry can apply CE principles is significant in outlining how large businesses and their customers and suppliers can work together to develop a sustainable business model for the retail sector (Donato et al., 2020). To do this, retailers have to transform the way they produce and do business. By adopting a circular business model, luxury fashion leaders may influence their suppliers and sub-contractors to endorse circular transformation, influence consumer purchasing habits, and continue positive social change by adopting sustainable consumption business models (Adam et al., 2017; Hazen et al., 2017). This study addresses this documented knowledge gap among luxury fashion leaders through a multiple case study design, and it may be significant to theory by extending academic knowledge of how luxury fashion leaders can make a profitable shift from a linear to a circular business model in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020).

This chapter provides detailed information on the research method and rationale for conducting a qualitative case study. The CRQ guiding this empirical investigation is presented along with the participant selection strategy, data collection strategies and data analysis, the researcher's role, ethical considerations, and a summary of the main points of Chapter 3.

## Research Design and Rationale

In qualitative research, researchers advise that researchers ask specific questions to address their study's purpose and determine the research (Browne & Keeley, 2014). To align with the current study's purpose, the CRQ is: *How do CE business experts describe how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets?*

Continuing to create luxury fashion for a growing population with disposable income without further damaging the planet is the current primary business challenge faced by luxury fashion industry leaders (Athwal et al., 2019; Grant, 2020). Nevertheless, researchers identified a need for empirical studies to understand how luxury fashion companies may transition to make a profitable shift to a circular business model (Mazzeo, 2020; Vignali et al., 2020). Additionally, the Covid-19 crisis has exacerbated the fashion industry leaders' challenge and forced them to rethink their environmental practices (Roberts-Islam, 2020; Sarkis et al., 2020).

On the demand side, wealthy consumers in mature markets desire new forms of luxury that consider sustainability, called sustainable consumption (Blazquez et al., 2020; Gardetti & Muthu, 2018). Sustainable consumption, which is a concept that reflects consumers' values, has led to the proliferation of the circular business model across a wide range of industries (Tunn et al., 2019). There is a knowledge gap on how the luxury industry can adopt a CE business model to raise their retail products' sustainable luxury consumption in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020).

This qualitative study's nature derives from a constructivist paradigm; scholars use this form of scholarship to explore people's individual experiences in a specific social and cultural setting (Cooper & White, 2012). Qualitative research aligns with the worldview that learning is active and constructive. This study used an exploratory case study research design to tackle the purpose of the study for a clear description of CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets (Yin, 2017). Experts' interviews are considered a typical qualitative research method (Bogner et al., 2018). The qualitative research method is appropriate for an investigation about meanings, opinions, expectations, and behavior. To guarantee an in-depth understanding of the data collected for case studies, purposeful sampling is used as a qualitative sampling strategy (Robinson, 2014).

While selecting the case study, research design, phenomenology, and narrative inquiry were assessed and found non-effective to resolve this study's research question because of uncritical personal storytelling's methodological limitations (Ritchie et al., 2013). The case study design is a recommended approach used to describe a social phenomenon and explain why and how it occurs (Yin, 2017). Thus, this study used an exploratory multiple case study design to address the purpose of describing the CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets (see Yin, 2017).

The multiple case study was selected to study individuals living within a community and not the whole community itself and within real-world settings beyond the unit of analysis (Eisenhardt et al., 2016). The data collection for ethnographic and narrative designs is dedicated to narrative storytelling, while for phenomenology, it is directed towards capturing the experience's meaning (Merriam & Tisdell, 2015). Capturing a broad experience defines a multiple case study design through a comprehensive, holistic, within-case, and cross-case analysis, making it the best approach to answer this study's research question (Merriam & Tisdell, 2015; Yin, 2017).

According to Stake (2013) and Yin (2017), individuals within a social context of a phenomenon can be involved in multiple case study as separate units of study. Halkias and Neubert (2020) found that multiple case studies are different from surveys and experiments when exploring management behaviors across different contexts in a global economy compared to other qualitative research designs. Experiments control variables to test the hypothesis, while surveys answer a specific research problem through a data collection from a random sample of individuals (Yin, 2017). A multiple case study involves replicating different cases, and cross-case analysis is initiated by synthesizing details for a general explanation of the phenomenon after the data collections from all cases are compared for similarities and differences (Eisenhardt & Graebner, 2007; Yin, 2017).

In this study, the multiple case study and its selection are classified into two kinds of selection: the literal replication and the theoretical replication. A multiple case study aims to generate divergent and convergent outcomes within the cases, and a “case” could be an entity, an event, a person, or other units of analysis (Halkias & Neubert, 2020). Thus, a single case was based on one person. For instance, multiple cases are based on multiple people to replicate similar results within multiple cases, considering the similarities and differences (Yin, 2017). There is strong reliability of the results that arise from cross-case analysis and the replication process, which could be used for theory’s extension (Halkias & Neubert, 2020; Welch et al., 2020; Yin, 2017).

## Role of the Researcher

According to Merriam and Tisdell (2015), my role as a qualitative researcher is to be the primary instrument by upholding a code of ethics and handling bias using a mitigating strategy such as reflexivity throughout the collection and the data analysis processes. I intend to mitigate bias during the entire research process of data collection, data analysis, and feedback delivery. Considering the seriousness of my role as the data collection instrument and as an observer, I implemented active listening skills during the semistructured interview process while providing openings for feedback to the participants that produced a comprehensive audit trail of the study process (Mann, 2016). Reflexivity is a process where a researcher is conscious of the study's assumptions and delivers audit trails that support the participant's perspective (Merriam & Tisdell, 2015).

I used relevant keywords to gather resources from multiple databases for the literature review to provide diverse viewpoints on the topic and alleviate personal bias (Dowd & Johnson, 2020). I provided well-defined instructions to the participants while avoiding bias by not leading their answers to the study topic and research problem. Additionally, I clarified the participants' responses with follow-up questions while building good rapport. Finally, I reflected on my interaction with the participants before, during, and after the interviews to maintain a code of ethics, participants' anonymity, and confidentiality throughout the entire study process. The selected participants accepted the informed consent conditions before participating in the study. As Kee and Schrock (2020) advised, a power balance was upheld between the researcher and the study participants, and a social-formative supervisory role has been avoided.

## Methodology

In a multiple case study, the researcher analyzes the cases' differences related to each participant considered a separate entity to examine a social phenomenon (Yin, 2017). Qualitative research allows the researcher to understand the relationship dynamics and tackle the reasons for their existence by answering how and why they exist (Tsang, 2013). The cases for this study used a replication logic for analysis to relate each case's data that are considered separate entities and to allow possible theoretical constructs' assessment in the future (Gehman et al., 2018). Yin (2017) defined probing questions in qualitative research as the element that brings originality to an interview, performed while collecting data through different data sources.

Qualitative research uses substantial inquiry to reach rich data and direct real-life information, and a multiple case study approach goes beyond that to provide an in-depth understanding of the why and how questions (Ravitch & Carl, 2020). A case can be anything such as an organization, a person, an event, a problem, an anomaly, or a group (Ridder, 2017; Yin, 2017). Seven participants recruited through purposive sampling were adequate to detect the main themes and the practical applications of this qualitative study (Merriam & Tisdell, 2015). The research and interview questions were developed to understand how CE experts describe how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. This multiple case study had a template to report the outcomes to determine the uniformity of analysis resemblances and the variances among participants' views and the data to answer the research question (Halkias & Neubert, 2020).

Triangulation helps upsurge the profundity, the consistency, and the scope of the study's method (Flick, 2002). It is helpful to use a triangulation method to integrate different data sources through a data cross-checking process to evaluate the respective independent approaches' weaknesses and strengths to safeguard the study's synergy and credibility (Guion et al., 2011; Wilson, 2014). Interviews, journaling field notes, and archival data were used as data sources in this study. A purposeful selection of participants was the primary constituent to deliver answers to the research question (Eisenhardt & Graebner, 2007; Ravitch & Carl, 2020).

According to Yin (2017), when a researcher requires a thorough and all-inclusive inquiry to provide accurate field data that cannot be found in the literature, a multiple case study is appropriate to use. This study used a qualitative, multiple case study design to provide a rounded, profound study and the meaning of real-life events (Yin, 2017). A cross-case analytical procedure is commended for ensuring the trustworthiness, dependability, and validity of results (Merriam & Tisdell, 2015). According to Baxter and Jack (2008), case study protocols are used by researchers to reinforce the studies' trustworthiness.

The research design method defines the techniques and procedures to research a multiple case study (Tsang, 2013). According to Stake (2013), a research design should comprise the following: the participant selection logic, the research questions and interview questions to reveal the participants' interview data, data collection and field procedures, identification of data analysis technique, and a template for reporting the multiple case study. The participant selection logic is the first element of the research design addressed in this chapter.

## Participant Selection Logic

### *Population*

Considering that the purpose of this study appeals for a comprehensive description of CE business expert's views, the participants in this study were recruited among academics or authors of peer-reviewed papers published in scientific journals in the subject area of shifting from a linear to a CE business model and indexed on Google Scholar between 2010 and 2020. The total number of such peer-reviewed scholarly publications is approximately 20,200 (via Google Scholar). A purposeful sample of seven participants was selected for this population's multiple case study. This study's sample size is within the range of five to 15 that Schram (2006) and Halkias and Neubert (2020) recommended a qualitative and multiple case study since more extensive sample sizes could be a barrier to an in-depth, qualitative investigation.

### *Sampling Strategy*

Yin's (2017) replication logic concept helped identify and recruit participants for this multiple case study. According to Eisenhardt and Graebner (2007), the replication strategy stipulates that every case is a different experiment and a unit of analysis in a multiple case study. Since experimental controls and manipulation are not part of case studies, the multiple case study replication strategy can support meeting the purpose of this study, which is to profoundly obtain an understanding of CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model. Purposeful criterion and network sampling strategies helped recruit the participants for this case study. If there is a need to increase the number of participants to reach data saturation purposes, a snowball sampling technique helped get referrals of potential participants meeting this study's inclusion criteria through the actual main participants (Merriam & Tisdell, 2015).

***Sampling Criteria***

One of the more current data collection methods in qualitative research is expert interviews (Bogner et al., 2018). Flick (2018) described expert interviews as part of the qualitative paradigm and respected consistent communication patterns applied in quantitative research (survey). For this study, the recruited participants were CE experts that met the following inclusion criteria: (a) authored at least five peer-reviewed papers published in scientific journals and indexed on Google Scholar between 2010 and 2020 when undergoing a word search under the terms "CE," "CE business model," "online platforms for luxury retailers," "sustainable luxury products," "sustainable luxury fashion," and "shift from a linear to a circular business model"; (b) have terminal degrees from accredited institutions; and (c) possess in-depth expert knowledge regarding the topic of the study (see Merriam & Tisdell, 2015). The specific participant selection logic was used to safeguard that all potential participants met the minimum requirements for recruitment and subsequent participation in the study through in-depth expert interviews (see Bogner et al., 2018).

***Sampling selection.***

Semistructured interviews are the intended procedure to collect participants' views, which helped identify and select participants, thus providing answers to the study's CRQ and enabling the fulfillment of the study's purpose of an in-depth investigation of the phenomenon under investigation (Tracy, 2019). The criterion and the network sampling helped in the participants' selection, providing in-depth information for the study's analysis and interpretation. Different from a quantitative logic, participants for a qualitative case study should be selected based on their interest in the study or based on reasons related to the theory framing the study (Eisenhardt & Graebner, 2007; Stake, 2010). The preferred qualitative sampling mode in a constructivist inquiry is maximum variation sampling or heterogeneity that helps with the documentation of the variations the arise when diverse conditions are implemented (Guba & Lincoln, 1994; Lincoln & Guba, 1985, p. 200). According to Baxter and Jack (2008), to safeguard the right participants' pool that could provide an excellent understanding of the central study topic, it is essential to emphasize the selected sampling strategy.

***Sample size and saturation.***

This multiple case study had a small sample of seven participants to reach data saturation resourcefully and increase and the study's trustworthiness (Fusch & Ness, 2015). A data pool served the participant's selection. Moreover, to intensify the study results' dependability and credibility, the data was collected from interviews with the experts. There was a focus on selecting participants who could select the selection process to ensure rich data collection. The next step after that constituted rapport building with the selected participants to increase the phenomenon understanding and the probability of obtaining in-depth data.

This study's participant selection logic is drawn from comparable previous studies with participants that could contribute to knowledge and deliver in-depth comprehension of the study topic. For example, Salmi (2020) surveyed 12 experts' views on how and under which conditions fashion retailers innovate their business models to navigate the transition towards a CE. Another expert study on a transition towards a new taxonomy of CE business model collected data through an interview of 8 experts using purposeful sampling, including practitioner-oriented consultants, scientific-oriented researchers, and the topic of study specialized professors (Urbinati et al., 2017). In other similar studies, Karell and Niinimäki (2019) interviewed five experts' views on the designer's role and practice in the context of closed-loop textile recycling. The participants included a clothing designer, a sorting expert, and three material scientists working on chemical fiber recycling based in the European Union (Karell & Niinimäki, 2019). According to Döringer (2020),  rich data that could answer the main research question and highlight the individual expert's perception impacting the social practices can yield through the expert's semistructured interviews.

**Instrumentation**

The goal of instrumentation in a multiple case study is to collect data from multiple sources through protocols and processes which support answering the study's research questions. Hence, gathering appropriate instrumentation that aligns with the study's purpose can contribute original data to the conceptual framework with and extend theory (Halkias & Neubert, 2020). Themes on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets emerged through the study's data analysis procedures. The three sources of data collected and utilized throughout this study: (a) a semistructured interview protocol (Appendix B) with items that have been designed and standardized by previous researchers, (b) archival data in the form of CE and sustainable fashion industry business reports (see Yin, 2017) and (c) reflective field notes (see Merriam & Tisdell, 2015), which were kept by the researcher throughout the data collection process.

The results of the study were founded on rigorously planned data collection procedures. The semistructured interview, a standard data collection method in qualitative studies, offered a tool to gain the researcher a deeper understanding of the expert participant's perspective. In this exploratory multiple case study, the interview protocol items which can produce trustworthy data results to answer the study's CRQ: *How do CE business experts describe how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets?*

This research used multiple evidence sources to drive the data triangulation process when presenting the study's final results (see Guion et al., 2011). Data triangulation can help assure the credibility of results and improve the quality of multiple case study results (Halkias & Neubert, 2020). Triangulation of data sources was conducted to support the overall trustworthiness of the study's data analysis (Merriam & Grenier, 2019).

**Semistructured interview protocol.** The primary tool used in this research was the online semistructured interview with open-ended, focused interview questions asked of the participants (see Yin, 2017). The semistructured interview (Appendix B) was centered on six well-chosen questions grounded in the Conceptual Framework and the extant literature review presented in Chapter 2 (see Rowley, 2012). Potential participants were asked to participate in an interview via a recruitment letter (Appendix A) informing interviewees of the research's essential nature and purpose. An informed consent form was provided to potential participants to provide a detailed explanation of ethical and confidentiality procedures enacted during the entire study's design and processes. The participants' interview questions, semistructured in nature, were completed in approximately 30 minutes (see Yin, 2017).

Kurkela (2020) developed the interview questions in an open-access study in Finland, a country whose financial market is considered "mature." Finland has also been identified as a mature market for digitization: the Scandinavian country ranks second only to Denmark in the European Commission's Digital Economic and Society Index (State Secretariat for Economic Affairs (SECO), 2020). Kurkela's problem, purpose, and study design aligned with my study's foundational elements and was stated as follows: "…the main objective of this research is to study the circular business models in the textile industry and the drivers and challenges related to the implementation of circular business model". The CE's adoption requires new knowledge to fill in the gaps of business opportunities, drivers, and challenges related to circular business models (Nubholz, 2018). Further research is necessary for CE implementation at the company level (Murray et al., 2017). Although there are studies about circular business models and the drivers and challenges of CE implementation, the connection between drivers and circular business models is unclear. The lack of research might hinder the implementation of a CE to business (Kurkela, 2020; p. 10).

Kurkela (2020) grounded each item of her interview protocol from the theoretical literature, the authors' knowledge of CE business models, and researching frameworks of the textile industry's CE business model.

Adapting Kurkela's (2020)instrument design to my study, there are four separate sections to the interview protocol: (a) background information and professional experience of the participant, (b) a brief narrative addressing the purpose of the study and defining critical terms before the interview commences, c) the interview questions and c) a debriefing section. The Interview Protocol can be seen in Appendix B.

Kurkela (202) used a theory-based protocol to interview subject matter experts in the Finnish textile industry. To reach maximum variation sampling and extend knowledge within the study's conceptual and theoretical framework required for a PhD-level study, I interviewed participants meeting the inclusion criteria as subject matter experts from various countries. Given that the interview protocol questions were validated via a previous study, no pilot study is required to duplicate this process.

Rigorous case study designs control theoretical variation outside the study's scope to establish transferability (Stake, 2010). The instrument's validity depends on the transferability of the findings to a similar population, and transferability is related to how much the reader can infer if the findings of a study apply to other contexts or situations (Anney, 2014). Transferability is a challenge in qualitative studies because the findings are bound to specific settings and individuals; however, using a maximum variation sampling technique is reasonable that the results of this study may apply to populations beyond the participation group (Stake, 2013). Stake (2013) also wrote that case studies need not make any claims about the generalizability of their findings but instead, what is crucial is the use others make of them—chiefly, that they feed into processes of "naturalistic generalization" (Ruddin, 2006).

**Archival data.** Triangulation is a core part of case study research and an investigative approach used during a field study as one of the multiple data sources (Yin, 2017). Data triangulation plays during the qualitative research process contributes to giving depth to the data collected because it is a systematic approach for confirming or contradicting interview data results (Guion et al., 2011). The outcome of this multiple case study was triangulated with several archival documents. Archival data in the form of practitioner-based CE and luxury fashion industry reports accessed from popular media sites were used.

Additionally, I examined a few databases relating to sustainability in the luxury fashion industry concerning adopting a CE business model. These two archival data sources were utilized for triangulation to answer the research question and support trustworthiness to the study's findings. Related qualitative multiple case study research questions by Neubert (2016) and Komodromos (2014) have also been answered using archival data to triangulate interview data.

**Reflective field notes.** The third instrument used for data collection is filed notes from both the online observation during the interview process and the semistructured interviews. Reflexivity within field notes is reflected in the research question and the model that supports qualitative research designs, providing an unstructured observation through reflection for data collection (Alvesson & Sköldberg, 2017). The researcher's reflexivity can be mitigated during an interview conducted online through Skype or Zoom platforms. Interviewing through Skype supports the replication process by enabling the researcher to reach participants in geographically dispersed locations (Whiting & Pritchard, 2020) and sustaining an unbiased atmosphere (Yin, 2017). Zoom allows the researcher to employ participants in distant or remote locations and may mitigate the researcher's reflexivity by maintaining a significantly unbiased atmosphere (Gray et al., 2020).

Since most online data are instantly saved and documented, interviews, self-observation, and interaction could be part of the online data collection (Kozinets, 2019; Merriam & Tisdell, 2015). I first reviewed and analyzed the semistructured interview notes then the field notes from observation. Considering that reflective notes allow for the more detailed collection and observation of the interaction's perception while maintaining a naturalistic research setting cannot be obtained through the question asking and the explanatory answers recording processes. The observational field notes were

logged during the interview process via skype by observing the participants' nonverbal cues, including their body language, emotions, and appearance (Kozinets, 2019).
I used netnographic field notes for triangulation prompt in the process of data analysis (Kozinets, 2017) to align with the investigation's standard practices in multiple case study designs and research methods (Halkias & Neubert, 2020). In this research, trustworthiness's instrumentation is determined by the transferability by providing findings and conclusions that could be extended to different sample groups within different settings (Merriam & Tisdell, 2015). The advantage of the transferability is that this study's results could serve as a base for further inquiries in future research and could constitute an asset to different individuals beyond the study sample participants (Fusch et al., 2018; Stake, 2013).

**Procedures for Recruitment, Participations, and Data Collection**

A sample size of seven CE business expert participants was considered for this qualitative multiple case study for in-depth interview purposes and reached data saturation (Fusch & Ness, 2015). Glaser and Strauss (1967), Mason (2010), and Yin (2017) advised that when the collection of data during the study does not yield new themes anymore, then the data saturation has been reached. To pinpoint the potential candidates who qualify the sample based on the inclusion criteria, I used Google Scholar to identify the CE experts' scientific publications when starting the recruitment process.

The online professional platform LinkedIn served as my tool to recruit potential candidates. Once I identified those who fulfilled the inclusion criteria, I generated an initial contact with them by posting a recruitment letter following a sequential order. I requested that they contact me back through my LinkedIn personal message or use the email address to appeal their study participation. The next step was to have the participants interested in participating in the study sign an Informed Consent form, and after that, I worked with each of them on scheduling interviews using Skype. An online platform for interviewing participants creates an atmosphere that is not biased to the researcher through the circumvention of contextual information. Bogner et al. (2018) described Skype as an internet-based communication platform used during an expert interview process. I also offered participants the choice of online interviews using the Zoom platform. Zoom allows the researcher to employ participants in distant or remote locations and may mitigate the researcher's reflexivity by maintaining a significantly unbiased atmosphere (Gray et al., 2020).

Qualitative expert interviews have been widely used by practitioners and researchers of different disciplines, such as organizational research, sociology, and politics (Flick, 2018). Expert interviews are valuable when collecting data in an exploratory study compared to observations and experimental quantitative research (Wästerfors, 2018; Yin, 2017). The qualitative expert interviews provided an opportunity for the participants to describe their views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. Littig and Pöchhacker (2014) found that even when semistructured interviews are used, an interview's non-controlled nature helps reach the data yield through the expert fields' research experience's extensiveness's knowledge.

I reached out to the prospective participants via email to invite them to participate in the study with a recruitment letter after getting the Walden University's Institutional Review Board (IRB) approval. Then the participants received a consent form by email that comprises the following: (a) explanation of what the study entails, (b) the option to withdraw, (c) the procedure, (d) possible risk or discomfort associated with participation, (e) the time limit, (f) a statement of voluntary participation and no consequences for refusal, (g) rights to confidentiality, and (h) the benefit of this study for luxury fashion-leaders and managers on a profitable shift from a linear business model to a circular business model. I invited prospective participants who accepted recruitment by responding to the recruitment letter (Appendix A) and providing their contact information (telephone number, email address, and Skype ID).

This qualitative method's primary goal is to obtain participants' comprehensive experience and knowledge on the CE topic. The interviews with participants involved collecting pertinent data based on their experiences on the topic of study. The recruitment process provided a sufficient number of participants, and the snowball sampling method was not used to get more CE business experts to reach the targeted number of seven participants who were willing to participate in the study (Merriam & Tisdell, 2015). I used open-ended questions aligning with the study's topic to build the expert interview protocol to gaining the experts' view on how the transition to a CE business model could benefit luxury fashion brands (Yin, 2017).

Before conducting the experts' interviews by Skype or Zoom, it is critical to obtain the IRB application approval by Walden University. I conducted seven interviews that lasted approximately 30 minutes each during the data collection process. I recorded the data using a digital audio recorder. I took notes to create a reflexive journal that helped with further reflection (Stake, 2013). I used a QuickTime player voice recorder (for Macbook) and a transcriber application to record and transcribe the participants' answers and kept a copy of the conversation. Microsoft Excel electronically stored the collected data recorded, documented, analyzed, and categorized after each interview. Tracy (2019) recommended Microsoft Excel as an appropriate tool in research to store, document, analyze, and categorize data using numbers.

At the end of the online interviews, I thanked the participants for their contribution to the study and reminded them that I might contact them later if there is a need for additional clarification. I also reassured the participants about the anonymity of their identity and the confidentiality of the data collected. I saved the communications and collected data throughout this process on my personal computer, Key USB, and google drive, protected by a strong password. I contacted participants individually via email to provide them with a transcript of their answers to the interview questions, review it, and validate it through the review process within 72 hours (Mero-Jaffe, 2011). The interview transcript review and validation by the participants allow them to clarify unclear responses or correct errors. When participants review the interview transcripts and validate their vital responses, it prevents errors or mistakes during the data collection process and guarantees the study quality (Davidson, 2009; Mann, 2016).

**Data Analysis Plan**

According to Jacob and Furgerson (2012), researchers are accountable for knowing the type and amount of data needed for a study, organizing the interview process, and ensuring that in-depth and valuable data is collected during the interview. Therefore, the researchers play a significant role in qualitative case studies by ensuring the sample size's alignment and the topic's data. The interview questions' purpose is to connect the study's general purpose by identifying real and significant participants' trends. For this study, CE experts constituted the unit of analysis. For case studies analysis, "why" and "how" questions help in associating theoretical propositions (Yin, 2017). Therefore, this study used the structure of semistructured questions as the interview protocol, and the collected data was sorted out and categorized. Merriam and Grenier (2019) recommended that researchers scrutinize the study's participants' answers to the interview process close to the study's end for triangulation purposes and pattern finding.

According to Merriam and Tisdell (2015), the researcher should use the data gathered from the participants' interviews transcripts, the journaling notes, and the archival data to bring out the themes and the categories, using content analysis the data analysis process. For data accuracy purposes, the collected data were transcribed, analyzed, and manually coded (Yin, 2017). An analysis of the themes, the significance of words, the documented work, and the perspective was conducted for the case study's database development to help with themes and model development (Yin, 2017).

This study’s data analysis had two steps: the first consisted of learning about the contextual variables through a within-case analysis of the selected cases individually. Moreover, the second one uncovered resemblances and differences among the themes and categories through a cross-case analysis of the data (Yin, 2017). Each case transcribed gathered data from both interviews. Field notes were organized in data segments, then indexed using line numbers, and finally arranged in line following the interview questions to identify the code to achieve the within-case analysis (Finfgeld-Connett, 2014).

Saldaña (2016) recommended recording the codes that have been recognized using a matrix form with columns to capture the data segments, the assigned codes, and the researcher’s reflective notes. Microsoft Word table was used in this study for that purpose. The researcher’s goal of creating memos is to capture the categories, the patterns, and other topics of reflection that emerge, with a classification of codes by categories with shared meaning that evolved into themes (Saldaña, 2016). The cases were appraised individually before summarizing each case’s data to increase the study results’ strength to complete the cross-case analysis (Eisenhardt & Graebner, 2007; Yin, 2017).

Considering several approaches to analyzing qualitative data, I chose a suitable one to analyze this study’s data. "Fracturing" data through text description reorganization to relate items inside the same category rather than calculating or tallying an object is the goal of coding in qualitative data analysis (Maxwell, 2012). Even though words and phrases within fragmented data and the allocated codes could have similar meanings, the categories serve the role of linking them together (Maxwell, 2012). The descriptive coding method served as the fundamental analytical approach in this study. The method conveyed the symbolical meaning to data segments and delivered phrases and words for the data indexing and categorization. For novice researchers in qualitative studies, the descriptive coding approach is appropriate as it helps them learn and hone qualitative data coding (Saldaña, 2016).

According to Yin (2017), cross-case synthesis is the most suitable data analysis technique in multiple case study research. Cross case synthesis technique is similar to research synthesis techniques that collect data and relate the results to individual studies sequences. Similarly, cross-case synthesis has proven to be more effective in Ph.D. studies than content analysis since it compares and contrasts cases instead of analyzing separate cases (Halkias & Neubert, 2020; Yin, 2017). When a research design employs the within-case and cross-case synthesis techniques, it produces more reliable theoretical constructs and propositions than a research design that only engages the within-case analysis (Barratt et al., 2011).

For this study's case study data analysis, I used a "ground-up" strategy to facilitate the rise of essential concepts while judiciously exploring the data recommended by Yin (2017). This strategy ensured the study's CRQ's alignment with the concepts that emerge from the data analysis (Yin, 2017). The "ground-up" strategy is coherent with the analytical technique, descriptive coding method in a case study's data analysis (Saldaña, 2016).

After coding the collected data from the participant's interviews, the next step is to connect the themes that emerge from the literature review and the classification that came from the conceptual framework. Merriam and Tisdell (2015) recommended detecting codes that share similar themes during the data collection process and using field notes. In this multiple case study, the data analysis technique was a cross-case synthesis to help the researcher establish the cases' comparability by investigating the convergence and divergence of the data collected (Yin, 2017). Every case in this study indicated to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to the circular business model to increase sustainable luxury fashion consumption in mature markets.

## Issues of Trustworthiness

Four concepts are essential in creating trustworthiness: credibility, transferability, dependability, and confirmability to ensure thoroughness in a qualitative study (Morse, 2015). Additionally, steadily using audit trails and essential journaling information on the theoretical approaches, methodological choices, and data analysis endorse a qualitative study's trustworthiness (Skulmoski et al., 2007).

### Credibility

Merriam and Tisdell (2015) defined credibility as the study's core validity on how the research conclusions reflect reality and measure its trustworthiness. Peer debriefing, member checking, prolonged engagement, knowledge of the issues, negative case analysis and rival explanations, triangulation, and referential adequacy are examples of approaches that enhance credibility in a qualitative study (Lincoln & Guba, 1985; Yin, 2017). For this study, I scrupulously reviewed the literature to increase my acumen of the topic and elaborated the interview protocol to serve for rich and in-depth data collection to yield data saturation.

To determine the validity of the study's results, I shared the interview transcripts with the study's participants for verification and confirmation of their responses during the data collection and the data analysis process (Birt et al., 2016; Mak-van der Vossen et al., 2019). I completed field testing with the subject matter experts before collecting the data to corroborate that the interview questions are essential to the participants and are contributing to answering the study's CRQ

**Transferability**

Morse (2015) defined transferability as the inference level drawn from results to a different context of interest. Generalization through transferability in qualitative research requires that the researcher analyze and interpret the studied group through context-dependent knowledge (Carminati, 2018; Yin, 2017). One of the qualitative researcher's accountabilities includes delivering information or knowledge, offering a path to the audience to choose the findings transferability possibility while ensuring the participants' speech is authentic and reflected (Birt et al., 2016).

I used thick descriptions, member checking, prolonged engagement, observation, triangulation, member checking, audit trail, and reflexivity to ensure that the significance and the implications of this study's findings are preserved (Houghton et al., 2013). Paraskevas and Saunders (2012) used a purposive sampling strategy in research that critically reviewed experts' use as participants. The study collected rich information related to the topic from 16 senior hotel executives from the Americas, Europe, Middle

East, Africa, and the Asia Pacific to gather the variations of responses from the experts and reaffirm the responses to answer research questions (Paraskevas & Saunders, 2012).

Being consistent with the methodology approach and providing a detailed description of the research process and problem help researchers safeguard the transferability of a study's results (Anderson, 2017; Carminati, 2018; Delmar, 2010). For this study, I used a purposive sampling strategy to find academics and authors of peer-reviewed papers published in reputable scientific journals within the CE domain on Google Scholar between 2010 and 2020. A careful selection of participants followed then to form a small sample size for the study since the group's expertise supports reasoned arguments rather than biased assumptions for reaching sufficient data saturation (Hasson & Keeney, 2011; Morse, 2015).

**Dependability**

Dependability in qualitative research is the findings' steadiness with the data collected when there is a logic behind the results, increasing replication possibilities using different strategies (Merriam & Tisdell, 2015). Morse (2015) advised that researchers use audit trail, "overlapping methods," such as triangulation, detailed methodological description, and peer debriefing to guarantee dependability. The trustworthiness protocol must align with the research process, including the research gap, the problem statement, the research question, the methodology, and the research design to consolidate a study's methodological approach (Amankwaa, 2016).

For this study, I developed a methodological procedure, creating an audit trail that helped with the documentation and the description of decisions and actions taken during data collection to safeguard dependability. Additionally, I used the audit trails to record and exemplify the research and upcoming actions' progress. Finally, for the effectual alignment of all the research's stages, I upheld the series of evidence to link the findings and the study's CRQ (Yin, 2017).

**Confirmability**

Confirmability is defined as the level at which a study's findings reflect the concept of objectivity while upholding a comprehensive picture of the experts' answers to the interview questions and controlling the researcher's subjectivity (Hasson & Keeney, 2011; Morse, 2015). Berger (2015) recommended that researchers use reflexivity and audit trail for the objectivity and the confirmability of the data. To ensure the objectivity of a study, researchers should be mindful of their subjectivities, use persuasive techniques to prepare neutral questions, and be aware of their role as researchers and not the expert (Morse, 2015).

Researchers should engage reflexivity through a research journal to be aware of their role and their association (social and emotional) with others to maintain the voice and the perspective of the participants (Berger, 2015). Audit trails could help elaborate on the research stages. Triangulation could help guarantee collaboration and the results consistency. The researcher's reflexivity could help stay focused and be aware of everything happening during the research process to ensure confirmability (Amankwaa, 2016). Based on all the above, I self-reflected in a reflective journal throughout the data collection process by documenting my assumptions, beliefs, and emotional involvement to safeguard transparency.

## Ethical Procedures

This study did not start without IRB approval, and its proposal included information on privacy and confidentiality, possible benefits and risks, IRB contact information, and several others. Once I received the IRB approval, I contacted the potential participants in the CE using an email including the IRB approval ID: 01-22-21-0755757 on the LinkedIn platform to appeal for their participation in the study (Appendix A). The potential participants contacted me back using the same LinkedIn platform to express their interest in contributing to this study. I respected the potential participants' privacy and confidentiality, and I used the inclusion criteria to confirm that they meet them. Once I completed that step, the potential participants who responded to me agreed to the informed consent terms. After receiving their signed informed consent form, I then moved to plan and conducted interviews using the Skype platform. To ensure communication flow during the study, I invited the selected participants to share their email addresses.

Kantanen and Manninen (2016) stated that researchers conducting studies involving the internet are responsible for upholding ethics principles that respect participants, avoid harm, guard data, and respect privacy. For interview planning purposes, I contacted each of the selected participants via email to confirm the interview's agreed-upon date and time. I reminded them that their participation in the study is voluntary and that the study is founded on the principles of confidentiality, anonymity, harm avoidance, and data protection. I used emails to communicate directly with participants and answer or address questions or issues that may arise to avoid miscommunication.

The recruitment process and the recruitment materials of this study do not pose any ethical issues. IRB approval of the study's proposal instituted the principle of do-no-harm. I did not foresee any ethical issues during the data collection process to the best of my knowledge. I notified the study participants that their expert knowledge as subject experts' matter is needed and not their affiliations with their organizations or any other personal information. This study's informed consent mentioned the participants' voluntary participation and that their participation in the study depends on their individual decision. The informed consent also mentioned that participants who change their minds after signing the informed consent and decide to remove themselves from the study would be assured that no one will treat them differently.

Using strong passwords and secured folders helps improve the principles of privacy, anonymity, confidentiality, and the use of the data collection for its intended purpose (Owan & Bassey, 2019). The interview transcripts and communication were saved in separate and individual folders that I created for each participant. Additionally, I saved all the data and electronic files from the interview and data analysis processes on my laptop computer, a Dropbox account, and a USB Flash key. All are protected with a strong password, that I am the only one to have access to it. Suitable data management techniques were included in the informed consent. I only shared the data with my dissertation chair and committee member, using strong passwords and data encryption when moving confidential and delicate data. As recommended by the ethics and stated by

Owan and Bassey (2019), I will delete all the interview files of this study from my laptop computer, the dropbox account, and the personal USB Flash key after five years.

The researcher is accountable for upholding ethical; quality throughout the study, during the interaction with participants, and when releasing the information (Tracy, 2010). I employed ethics self-reflection throughout the different steps of this study to make necessary adjustments on the organization of multiple case designs and CE experts' participation. This study does not have any potential conflict of interest since I gathered the data namelessly, and I conducted the study independently from my professional and personal environments.

## Summary

The purpose of this qualitative, multiple case study is to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. Semistructured interviews with open-ended questions - an approach that allows the participants to express their views - served as the instrument for this study. Business and industry reports, media articles on the CE, and journal field notes served as archival data to reinforce trustworthiness and authenticate the study's results and conclusions.

Chapter 4 includes the findings of the data analysis in answering the study's CRQ. The procedures to collect and analyze the data gathered from seven semistructured interviews, including the interview protocol, are described and clarified. The clarification is on unanticipated situations or events throughout the data collection process and conditional proof of trustworthiness (credibility, transferability, dependability, and confirmability).

# Chapter 4: Results

The purpose of this qualitative, multiple case study is to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. From the data collected to answer the research question, I gained a deeper understanding of theoretical insights and practitioner-based knowledge of how a circular business model can be applied to raise sustainability efforts within the luxury fashion industry. The research question that guided the development of this empirical study was as follows: How do CE business experts describe how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets?

While luxury fashion leaders publicly support sustainable consumption, their business models remain underdeveloped to address the challenge of sustainable consumption (Donato et al., 2019; Garg, 2020). The Covid-19 crisis now challenges industry fashion leaders to rethink their environmental practices (Roberts-Islam, 2020; Sarkis et al., 2020). A lack of available practitioner-based knowledge for luxury fashion leaders makes a profitable shift to a circular business model (Mazzeo, 2020; Vignali et al., 2020). A gap exists in the scholarly literature on how various industry sectors, including the luxury industry, make a profitable shift from a linear to a circular business model and how a CE business model can be adopted to raise sustainable luxury consumption in mature markets (Donato et al., 2020; Osburg et al., 2020). These multiple case study results are significant because they may be used to guide luxury brand managers to develop a thoughtful and well-planned business strategy that balances the CE approach with the entrepreneurial initiatives that underlie sustainability.

The research design and approach of this study were framed by two concepts that focus on aligning with the purpose of the study:1) Donato et al. 's (2020) concept of *sustainable luxury consumption* and 2) Chiaroni and Urbinati's (2017) concept of *adopting a circular business model* which "relies on large quantities of easily accessible resources and energy, and as such is increasingly unfit to the reality in which it operates" (p.1). The extant literature identified luxury consumption within mature markets as an expression of wealth, social status, beauty, and knowledge. However, there is little extant literature on how luxury brands can leverage the CE business model to build on their sustainability journey by interfacing the CE paradigm with their entrepreneurial capabilities. This study may be significant to theory and extend academic knowledge in guiding further theoretical research on sustainable luxury fashion consumption (Mazzeo, 2020; Mishra et al., 2020)

This chapter presents an analysis of the results from this multiple case study based on two approaches: thematic analysis and cross-case analysis. As recommended by Yin (2017), the first approach, thematic analysis, is based on the data collection of the study's three sources of data collected: (a) a semistructured interview protocol (Appendix B) with items that have been designed and standardized by previous researchers, (b) archival data in the form of CE and sustainable fashion industry business reports (see Yin, 2017), and (c) reflective field notes (see Merriam & Tisdell, 2015), which were kept by the researcher throughout the data collection process.

I used theory-driven codes from the conceptual framework and inductive codes in a bottom-up strategy of reviewing data as prior research-driven codes. While various approaches are helpful in qualitative data analysis, “thematic analysis is flexible, and what researchers do with the themes once they uncover them differs based on the intentions of the research and the process of analysis” (Boyatzis, 1998, p. 63). For the second step of the data analysis process, I implemented the cross-case synthesis method for data analysis to generate themes representing the convergence and divergence of participants’ experiences within and between cases (see Yin, 2017). I triangulated interview data themes with data from reflective field notes, current business, marketing, financial analyst reports, previously published research articles, and literature as evidence of trustworthiness for the study findings and suggestions for further research (Guion et al., 2011).

The multiple case study design’s primary goal is to replicate the same findings across several cases by exploring the differences and similarities between and within cases (Eisenhardt & Graebner, 2007). This research was an extension study that provides replication evidence and expands previous studies’ findings in other theoretical areas (Bonett, 2012). For a multiple case study, the minimum number of cases is relative to the research question and its purpose. To gain an in-depth understanding of the phenomena under study, Eisenhardt (1989) suggested a limit for the number of cases (e.g., four to 10 cases). To meet that goal, this study’s central phenomenon of study is the individual, and the context is luxury fashion CE experts. In developing a study of individuals living within a community and not the whole of the community itself; in such a study, the optimum qualitative design to retrieve data with the goal of theory extension is an exploratory, multiple-case study design (Eisenhardt & Graebner, 2007; Halkias & Neubert, 2020). The unit of analysis in this study was the individual CE expert.

Throughout this chapter, I describe the discovered patterns and recurrent themes resulting from the cross-case data analysis process. With this analysis, I maintain the voices and perspectives of the participants. As recommended by Yin (2017), the study's sample population, categories of codes, themes, and a cross-case synthesis of themes are also presented below.

## Research Setting

I used semistructured interview questions to collect data among seven subject matter experts for this research. I used the following inclusion criteria to select the participants: subject matter experts who (a) authored at least five peer-reviewed papers published in scientific journals and indexed on Google Scholar between 2010 and 2020 when undergoing a word search under the term "circular economy," "circular economy business model," "online platforms for luxury retailers," "sustainable luxury products," "sustainable luxury fashion," and "shift from a linear to a circular business model"; (b) have terminal degrees from accredited institutions; and (c) possess in-depth expert knowledge regarding the topic of the study (see Merriam & Tisdell, 2015).

A network sampling via LinkedIn, a professional social media platform, and the literature review's primary references were used to recruit the participants. The first step of the recruitment consisted of sending an invitation email (via LinkedIn) with the informed consent form attached. When participants responded to acknowledge and agree with the consent form, I then moved to the next step of scheduling an interview with them. Based on the participant's availability, each interview was conducted solely between the participant and the researcher. The interview meeting was scheduled on a mutually agreed-upon day and time within an acceptable schedule for both the participant and the research timeline.

Appendix B shows the semistructured interview protocol used as a guideline to help conduct uninterrupted interviews while safeguarding the participants' comfort throughout the process. The interview protocol also allowed in-depth data collection from the participant on the subject matter while reassuring the participants about anonymity and confidentiality, enabling them to engage in the process thoroughly. The recruitment via LinkedIn fell short in meeting the targeted number of participants in the study; only four participants were recruited. Therefore, there was a change in the research setting to use primary references, which allowed three more participants to be recruited. Depending on the participants' preference, four joined the interview by video, and three joined by audio.

## Demographics

The study found seven academics and experts who met the eligibility criteria, including four men and three women. All the study participants have an in-depth knowledge of the CE, possessed a terminal degree from accredited institutions, and have extensive peer-reviewed books and book chapters publications in the subject matter area. The participant characteristics relevant to this study's conceptual framework included age, gender, years of experience in the research field, and the number of peer-reviewed publications and books indexed on google scholar between 2010 and 2020. The pseudonyms are in X1 format so that X represents the generic letter P for "participant" and 1 is the numerical identifier assigned to each participant.

The study sample demographic was constituted of male (4/7) and female (3/7) with ages ranging between 35 and 58 years old (AVE = 45). The participants' number of years as academic researchers/publishers in the CE area ranged from 3 to 32 (AVE = 11). The participants' peer-reviewed publication in scientific journals and indexed on Google scholar between 2010 and 2020 ranged from three to 60 (AVE = 23). The study's main subject areas were CE, mature markets, sustainable consumption, business model, luxury fashion, financial challenges, technology challenges, consumers, and sustainability.

## Data Collection

After getting the Walden University IRB approval on January 20th, 2021, I started collecting data on February 4th, 2021. The participants in this study were seven academics and experts and were all interviewed via Zoom; four participants chose to be interviewed via a video Zoom, and three chose audio Zoom. The seven interviews were scheduled from February 4th, 2021, to March 9th, 2021, and each one of them lasted between 20 and 30 minutes. March 9th, 2021 marked the end of the data collection step, and the data collected showed themes such as mature companies would first gain competitive advantage, champion the business case for sustainability to stakeholders, and invest in developing new technology to support the CE; and today's customers value sustainable consumption. At that point, there were no new themes that emerged, confirming data saturation.

After receiving the Walden University IRB approval, several steps followed from January 24th, 2021 to March 9th, 2021: (a) the potential participants were contacted for recruitment via LinkedIn email, (b) the interviews were scheduled and conducted, (c) the reflective field notes were recorded and journaled, (d) the seminal literature was reviewed, and (e) the transcript review was conducted, enabling the participants to verify, modify, and add information recorded from the interview. All the actions and steps of the data collection process related to each participant were recorded in an excel spreadsheet, constituting an audit trail table. The audit trail table was very useful in tracking the progress and planning on the subsequent actions or steps such as recruitment email, consent form acceptance, interview date and time, and transcript emailed for review. Using the audit trails and reflective and journaling field notes helped me conduct the data collection and the data analysis with consistency and thoroughness.

February 4th, 2021 to March 9th, 2021 marked a 5-week data collection period where four participants were interviewed via video Zoom, and three were interviewed via audio Zoom. Each interview was scheduled after receiving an email from the participant consenting to participate in the study. There were seven interviews conducted in total, with each one of them including the participant and the researcher. The interview dates and times were both a mutual agreement between the participant and I, consistent with the participant's schedule and the study process timeline. The semistructured interview protocol was used as a guideline and helped to conduct uninterrupted interviews while safeguarding the participants' comfort throughout the process. The interview protocol also allowed in-depth data collection from the participant on the subject matter while reassuring the participants about anonymity and confidentiality, enabling them to engage in the process thoroughly.

From the reception of the Walden University IRB approval on January 25th, 2021, until the end of the data collection process on March 9th, 2021, I began recording my perspective and the events' steps and chronology. I documented my experience concerning the data collection process for transparency, and I also captured assumptions, beliefs, emotions, and reactions throughout the process. During the recruitment, interview scheduling, and transcripts reviews, the participants' notes were included in these comments. I also recorded the informal interaction between the participants and I during the data collection process. Since the study's subject matter was a shared interest among the participants and I, the initial rapport was quickly built, which added a significant value to the data collection process. This experience allowed me as a researcher to better understand the data collection process, and I obtained an in-depth CE acumen from the subject matter experts.

Some of the challenges I faced during the data collection process included finding participants who consented to participate in the study and scheduling appointments with them. Since the LinkedIn professional social media platform did not allow me to recruit the targeted number of participants to reach data saturation, I contacted some of the participants via email from the literature review's primary references. Some participants did not send their consent response immediately, and a reminder email was sent before they signed the informed consent. For other participants, there was a delay in scheduling their interviews due to their busy schedules. Nevertheless, all the interviews were conducted regarding the agreed-upon date and time, despite the time zone differences concerning the data confidentiality and the participant's anonymity. The participants had the option to have a Zoom video or Zoom audio interview. All of them went well without any technical issues, and they were all recorded directly from Zoom, which made Zoom recording available immediately for transcription.

All the interviews followed the interview protocol. The participants were asked to describe their views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. The participants had the opportunity to answer the seven questions included in the interview protocol covering topics from describing how luxury fashion leaders could make a profitable shift from a linear to a circular business model in a mature market to describing the financial and technological challenges of transitioning from a linear to a CE business model. At times, clarification and definitions of terms were provided to participants for consistency purposes. For some participants, there were follow-up questions for clarification of the previous responses. Overall, the participants showed a shared understanding of the CE, sustainable consumption, mature market, and luxury fashion industry.

**Initial Contact**

The first initial contact with participants was on January 24th, 2021, via the LinkedIn professional social media platform and network sampling. The following criteria were used to recruit the participants: subject matter experts who (a) authored at least five peer-reviewed papers published in scientific journals and indexed on Google

Scholar between 2010 and 2020 when undergoing a word search under the term “CE,” “CE business model,” “online platforms for luxury retailers,” “sustainable luxury products,” “sustainable luxury fashion, and “shift from a linear to a circular business model”; (b) have terminal degrees from accredited institutions; and (c) possess in-depth expert knowledge regarding the topic of the study (see Merriam & Tisdell, 2015). The criteria allowed for identifying several participants that were contacted grounded from their CE research and peer-reviewed articles publications. The primary references in the study were also used to identify other participants.

The last participant who consented to the study terms was received on February 15th, 2021, and the outreach for participants stopped after the final interview was done on March 9th, 2021. Following the recruitment procedures referenced in Chapter 3, the CE experts were selected based on their fulfillment of the sample inclusion criteria via Google Scholar. Following the preliminary selection, an invitation email was sent to the potential participants, and the informed consent was attached via the online professional network platform LinkedIn.

**Interviews**

With COVID-19 pandemics restrictions and the participants’ geographical locations, all the interviews were conducted virtually via video/audio conferencing. As soon as participants consented to participate in the study, an email was sent to them to request a date and time. Most of the participants sent their consent to participate in the study within days after receiving the invitation email. More than half of them agreed to have their interviews within the two weeks that followed the invitation email. The rest of the participants either waited to schedule their interviews or schedule it four to five weeks after the initial contact.

Once participants confirmed days and times for their interviews, I created a meeting invitation via zoom, and I emailed the information to join the call to them. Only three participants chose to join the Zoom call without enabling the video features. All the interviews went well without any technical issues related to the application or the internet. Zoom digital recording enabled all the interviews, and they were all successfully recorded for transcription and data analysis processes.

All the study participants agreed to be recorded with Zoom, and a test was conducted before the interviews to verify the application's capability. Additionally, a backup recorder was prepared to be used should the Zoom recorder did not work correctly. All the interviews were conducted following the original outline in the inform consent approved by IRB. Zoom's use allowed to recruit and interview subject matter experts in the CE worldwide, contributing to expanding the research's reach (Yin, 2017). The participants were located in the United States of America, Italy, France, the United Arab Emirates, Cyprus, and China, with time zones straddling from GMT -8 to GMT+4.

**Journaling/Reflective Field Notes**

As soon as I received my Walden University IRB approval IRB ID: 01-22-21-0755757 on January 20th, 2021, I created an excel spreadsheet, and I began journaling and recording journal/reflective field notes. Throughout the entire data collection step, I continued the process from the moment I sent the invitation email to the potential participants when I interviewed the last participants. I made a daily audit trail as I progressed in the process and organized the subsequent activities based on the tasks. Using the spreadsheet helped to document the main activities and dates throughout the data collection process. The journal and the spreadsheet audit trail were meant to increase the study's information and add validity to the data collection process. Periodically, I updated my chair on the progress made on completed tasks.

To decrease the researcher biases and eventual expectation, my thoughts were progressively journaled throughout the data collection process, and I practice active listening to the participants during the interviews. It was essential to remain mindfully objective, and the interviews provided me with a great breadth of a good understanding of the subject matter. The participant's nonverbal cues, hand gestures, tone, and attitude helped capture precise details and clarifications, deepening the data collected and the participant's responses to the interview questions. Considering the participants' cultural and personality differences, each one of them was treated with respect and professionalism without any assumptions and judgments during the interview process. Additionally, every participant was provided with the interview transcript, allowing them to review and reflect on their answers, with a possibility of modifying them if needed (Jacob & Furgerson, 2012).

Active listening, observation, and intermittent notetaking were used during the interviews. At the end of every interview, I saved the audio on my computer and recorded thoughts in my journal. Then after that, it was essential to watch the video recording and listen to the audio recording to capture both verbal and nonverbal cues that I may have missed during the interview. That process allowed me to understand the participant's answers in-depth and patterns of themes. All the participant's verbal and nonverbal cues were aligned with each other, emphasizing their views and opinions through changing voice tonality, pausing, and gestures.

Patterns of theme and the participant's understanding of social reality appeared from the interview transcripts using a systematic manual coding technique (Vaismoradi et al., 2016). According to Yin (2017), patterns and themes from multiple case research studies allow the analysis of the data within and across cases. The rising patterns and themes become significant for additional analysis when the cases are judiciously selected to predict similar results, named literal replication and contradictory results, and named theoretical replication (Yin, 2017).

The data collected was triangulated with different other data sources for dependability and trustworthiness purposes. Some of the participant's backgrounds included experience with the CE, others included extensive research and publication in the field, and others have both backgrounds. Since all the participants were subject matter experts in the CE and specific criteria were used to select them, they all showed a great interest in the topic. They also provided a great breadth of data and rich information needed for the in-depth data collection goal.

**Transcript Review**

After the interview was completed, each participant was sent a transcript of the interview via email for verification and any missing points they would like to include (Merriam & Tisdell, 2015). The research participants were requested to verify the information captured in the interview to ensure the researchers avoided any misinterpretation of their views and maintain the integrity of the collected data (Hagens et al., 2009). The verification of accurate capture of participants' views was done via email and LinkedIn. This verification process served as an avenue for the participants to fill in gaps in their responses to each question by reviewing the transcript. This verification and review process aided in addressing the concerns regarding data accuracy and quality of the transcripts (Merriam & Tisdell, 2015). One of the participants made minor changes to the transcript during this process, and six made no changes or modifications to the transcript shared with them.

All of the participants had the interview protocol and questions to refer to during the interview. The participants reviewed the question before the call and during the call to ensure they accurately answered the questions. Many participants mentioned relationships between some of the questions and often referred back to a previous question when answering the researchers' questions. The questions' chronology was designed to obtain a comprehensive view of the experts' understanding and suggestions. The participant's reference to other answerers often created some redundancies in responses for most study participants. The transcript review process aided both the researcher and the participants in ensuring responses answered the question and adhered to ethical standards. Most of the interview transcripts (six) were sent to the participants via email for review, and one was sent via LinkedIn. The participants reviewed the transcripts to clarify any responses to avoid misconceptions or misinterpretation of the data collected (Mero-Jaffe, 2011).

Participants responded via email and provided clarification, additions, recommendations, and the transcript's approval as they accurately captured their answers and intentions. This process served as an additional validation tool to ensure data accuracy and comprehensiveness. All the participants in this study responded with their comments, additions, and modifications within days of receiving the interview transcripts. Definition of specific terms such as CE, linear economy, sustainability, mature markets related to this study was provided to participants before the interviews to help them understand the scope this study aims to cover. Edited transcripts were saved in password-protected files and folders to ensure adherence to ethical procedures highlighted in Chapter 3 before coding the data.

## Data Analysis

According to Saldaña (2016), using descriptive coding to analyze collected data helps find emerging phrases and words for meaning assignment, categorization, and thematic analysis. In this study, raw data was collected from the transcript of the in-depth interviews of seven participants. Data saturation was reached at interviews as repetitive information was coming back in interviews 5, 6, and 7.

Thematic analysis through categories and themes was used to analyze the transcripts from the interviews, the notes from journaling, and the gathered archival data (Merriam & Tisdell, 2015). That process unveiled a deep understanding of CE subject matter experts' views on how luxury fashion leaders can make a profitable shift from a linear to a CE business model in mature markets. The identified data segments came from the transcripts, and the recorded codes helped capture the patterns that evolved from the data segments (Saldaña, 2016).

According to Saldaña (2016), one of the primary methods to analyze qualitative data in an exploratory research study is the coding process, which requires systematic and consistent methodology during the data collection and analysis processes. The coding method included coding manually, categorizing the data, and identifying surfacing patterns and themes across the cases. Thus, when the data collection process aligns with the data analysis one, the researcher should expect an appearance of synchronized and valuable concepts for an in-depth understanding of the research problem (Stake, 2013).

There were two data analysis stages of this multiple case study: a within-case analysis for each case and a cross-case analysis looking at similarities and differences within the themes and categories (Yin, 2017). That approach is consistent with a multiple case study design aiming to understand the non-explored phenomenon. The benefit of using the same consistent coding method to analyze both the within and across data is to permit the replication of the cases, which will help compare and contrast the results, and ultimately providing an in-depth understanding of the research problem (Yin, 2017).

Saldaña (2016) recommended systematically using the thematic analysis approach in the descriptive coding process to map the structure of common themes that guides the researcher to shift from collecting to analyzing the data. I used the indexing method to determine the data segments from the in-depth interview transcripts that provided a categorization of the keyword’s groups and a description of the experiences ((Saldaña, 2016; Vaismoradi et al., 2016). I used a Microsoft Excel spreadsheet to manually code the data and enter the interview notes after the participants' responses were verified from the transcripts and manually code the data. The data analysis process consisted of discovering patterns from the interview transcripts and integrating and examining the dissimilarities within the data sources for the triangulation purpose ((Merriam & Grenier, 2019).

Identifying key phrases to answer the research question was the data analysis's goal, and the fragments of data, the categories, and the themes that emerged from the interview transcripts were all recorded in an excel spreadsheet at the end of both the data collection and the data analysis processes. It was essential to identify and distinguish the patterns and discount the nonrepetitive proof attributable to the particular cases from the themes during the data analysis process. During that process of case study data analysis, Yin (2017) suggested using the ground-up strategy to help recognize the codes from the data collected and find critical concepts from the data. The ground-up approach is similar to the descriptive method's analytical technique. It required gathering the key important segments of phrases from the collected data and attributing them codes to allow additional analysis (Saldaña, 2016). The coding process categorizes the themes that surfaced from the interview transcripts and unveiled shared associations across the participant's data (Yin, 2017).

Hand coding was used for the thematic analysis in this research study following the descriptive coding method that required attributing the different data collected from the interview (Saldaña, 2016). In the interviews, participants described their experience and perception of the research problem using words and phrases used in the indexing and categorization processes to find the themes (Saldaña, 2016; Vaismoradi et al., 2016). All the participants reviewed their interview transcripts; once it was finalized, their responses were recorded in an excel spreadsheet and were manually coded. To ensure the study's dependability and increase the pattern finding, the data was triangulated, and the words of the transcript were coded, unveiling the shared relations within the multiple cases paving ways to answer the research question (Yin, 2017).

During the data analysis, six coding categories were identified based on the problem and the two conceptual frameworks: 1) Donato et al. ‘s (2020) concept of sustainable luxury consumption and 2) Chiaroni and Urbinati's (2017) concept of adopting a circular business model which "relies on large quantities of easily accessible resources and energy, and as such is increasingly unfit to the reality in which it operates" (p.1). From the six coding categories, 23 themes were gleaned from the thematic analysis. The coding categories were (a) initial effect of CE business model adoption on competitive advantage, (b) profit-making drivers for firms to increase sustainable luxury fashion consumption, (c) financial challenges for firms in the transition from a linear to a CE business model, (d) technology challenges for firms in the transition from a linear to a CE business model, (e) achieving the profitable shift from a linear to a CE model in mature markets, and (f) an added value for customers after CE business model adoption.

The advantage of hand-coding is that it allows the researcher to engage with data deeply, providing a better understanding of the data collected and the research problem (Finfgeld-Connett, 2014). Saldaña (2016) recommended it was advantageous to me as a novice researcher to implement a descriptive manual coding method during the data analysis process instead of using Computer Assisted Qualitative Data Analysis (CAQDAS) programs. I reflected on my recorded field notes during the data collection process, reflecting on the interview transcripts when conducting the within-case and cross-case data analysis processes. Using a semistructured interview protocol to collect the data, archival data (business reports, industry reports, and media articles on CE), and my reflective field notes helped conduct a complete data analysis process (Merriam & Tisdell, 2015; Yin, 2017).

Incorporating various data sources (interview transcripts, journaling, and archival data) attempting to align the data meanings with the research problem allowed for an in-depth understanding of CE subject matter experts' views on how luxury fashion leaders can make a profitable shift from a linear to a CE business model in mature markets. The processes of data collection and data analysis were iterative to find answers to research questions. During the iterative process of coding, categories and themes were repeated, indicating no need to continue the coding process (Fusch & Ness, 2015).

Below is a hierarchical coding frame used to categorize the codes and themes according to their relationships. Six coding categories based on the problem and conceptual framework arose four root nodes and 23 themes gleaned from the thematic analysis.

**Coding Categories**

The first root node was motivational factors to increase sustainable consumption, including two code categories: (a) initial effect of CE business model adoption on competitive advantage and (b) profit-making drivers for firms to increase sustainable luxury fashion consumption.

The second root note was challenges faced by luxury fashion leaders that included two coding categories: (a) financial challenges for firms in the transition from a linear to a CE business model and (b) technology challenges for firms in the transition from a linear to a CE business model.

The third root node was the transitional process to sustainable consumption in mature markets included the coding category achieving the profitable shift from a linear to a CE model in mature markets.

The final root node was the benefits of sustainable consumption for luxury fashion leaders that included the coding category an added value for customers after CE business model adoption.

According to Boyatzis (1998), case studies' findings could be displayed on different forms, depending on the data type, the purpose of the study, and its audience. In this study, the themes and categories are presented in the form of a table displayed for a visual representation of CE subject matter experts' views on how luxury fashion leaders could make a profitable shift from a linear to a CE business model in mature markets (see Harding, 2018). The incidence frequency of the themes presented above is different from one case to the other. Additional discussion to illustrate that frequency for every theme across the cases is given in this chapter and the Cross-Case Synthesis and Analysis section with a visual representation graph.

Table 3 is the completed coding categories and themes of this research study, including participants' direct quotes.

**Table 3**

*Coding and Theme Examples*

| Participant | Interview excerpt | Category | Theme |
|---|---|---|---|
| Participant 2 | "My argument is, the companies that are going to gain the most out of this are mature industries and mature companies. And the reason why is because to have an effective CE, you need to have a lot of materials out there already." | *Initial effect of CE business model adoption on competitive advantage* | 1) mature companies will first gain competitive advantage; 2) competitiveness will depend on how many resources are in the product Lifecyle; 3) competitive advantage will be stronger within economic regions with strong operational frameworks for CE entry; 4) develop realistic supply chain forecasting |
| Participant 3 | "So, it all depends on the setup of the value chain. And so, if you have a CE approach from the beginning, you tend to be, from a production perspective always inelastic from a price perspective, which doesn't change what could happen from a consumer perspective, where you can actually have a price elasticity if the market allows it". | | |

| Participant | Interview excerpt | Category | Theme |
|---|---|---|---|
| Participant 1 | "So, in a way, you know, it's a win-win situation, it is allowing them to position themselves better in the eye of the consumers, as we were saying earlier on, you know, with the new generation appreciating these values more and more. And on the other side, this approach is bringing them you know, significant cost savings". | *Profit-making drivers for firms to increase sustainable luxury fashion consumption* | 1) overall cost reduction; 2) positive brand reputation and image in the global market. 3) increased company value ; 4) born-circular and transition to CE firms will eventually dominate mature markets |
| Participant 6 | "And I will leave it there to say that companies working in a very strongly influenced environment of CE like the one I explained, and they don't do anything, they might face existence problems in the in the upcoming period". | | |
| Participant 1 | "But, you know, there is that initial stage where you have to invest a lot of money, spend a lot in R&D, for instance, you know, to start changing your way of doing business in a way". | *Financial challenges for firms in the transition from a linear to a CE business model* | 1) champion the business case for sustainability to stakeholders; 2) strong financial standing to sustain the transition journey from linear to CE business model; 3) substantial investments in R&D; 4) mitigate market volatility through strong financial processes and controls |

| Participant | Interview excerpt | Category | Theme |
|---|---|---|---|
| Participant 4 | "For example, in the clothes, if you want to rework the fibers or reuse the original materials in your process, of course, the treatment that you need to put on the fiber are additional processes you have to invest in, in order to have it ready for the CE. So, investing in your process, which is a time zero outflow of money and on the other side, waiting for the customer to pay as a service for maybe a few years because you reach the same level of cash in the of the linear model". | | |
| Partcipant 3 | "There are many luxury companies that I think they're getting their product from agricultural or farming processes, you know, that would be a form of disruption that can happen if you're changing agriculture into what we call Agri-tech. And that could be of course, a degree of disruption, that changes the entire concept of where you take in your, your materials from". | *Technology challenges for firms in the transition from a linear to a CE business model* | 1) use updated technology for recycling; 2) invest in developing new technology to support the CE; 3) invest in agri-technology solutions |

| Participant | Interview excerpt | Category | Theme |
|---|---|---|---|
| Participant 5 | "So, actually, in this domain luxury involves different elements, we have material, and which involves chemicals or things, new synthetic materials, right, or evolve with ethical materials as cold war as an example. And the second step would be the manufacturing process". | | |
| Participant 1 | "These companies really needs to be brave, they really need to have the top management on board to embrace this change in an effective manner. Because, you know, if that top manager is not fully on board with this kind of change, the change is unlikely to be successful". | *Achieving the profitable shift from a linear to a CE model in mature markets* | 1) luxury fashion entrepreneur must have agile leadership capabilities; 2) plan incremental changes to protect the firm financially; 3) market to Gen Y/Gen Z customer values on sustainability; 4) broader collaboration architecture between CE business leader and cross-functional teams |
| Participant 2 | "You have to involve multiple functions to come arise at the decision that an individual function, whether it's marketing, | | |

| Participant | Interview excerpt | Category | Theme |
|---|---|---|---|
| | or whether it's operations, or whether it's environmental sustainability group, or whether it's a warranty, customer service, group, finance, accounting, they all need to be involved in this decision, because it's a multifaceted decision. So cross functionalism is an absolute requirement". | | |
| Participant 6: | "Well, the CE can add value to its customers from many ends. First of all, if they apply CE business model, then by default, this model is serving the overall sustainability purpose, it's serving the overall climate impact targets and many other things. So by applying the CE, business model, it adds value to the customers. Because customers are human beings, and they want a better life. And the second thing is that the cyclical business model can add value to the customers because it helps the mindset shift. A customer which is involved within a business as a client that apply CE, then it | *An added value for customers after CE business model adoption* | 1) Gen Y/Gen Z customer values sustainable luxury;2) higher- quality products from a value perspective; 2) customer's support of local businesses in the CE supply chain ; 3) today's customers values sustainable consumption |

| Participant | Interview excerpt | Category | Theme |
|---|---|---|---|
| | becomes little by little second nature of the people to do things in a circular way". | | |
| Partcipant 7 | "I think the added value we can talk about is in the example that I gave you, you will add the satisfaction of the people, because they don't have the impression to contribute to the waist. Because you know, if you order something it doesn't fit, and then you toss it or you return you feel bad". | | |

Each of the themes above is embedded within their respective categories (see Table 3). Certain cases are presented with more prominent themes than others caused by variations in their frequency of occurrence. The definitions and details of theme frequency are discussed in the *Cross-Case Synthesis and Analysis* section of this chapter. A visual representation graph is in that section to illustrate every theme's frequency of occurrence across the cases.

## Evidence of Trustworthiness

### Credibility

Lincoln and Guba (1985) and Yin (2017) recommended examples of approaches that enhance credibility in a qualitative study: peer debriefing, member checking, prolonged engagement, knowledge of the issues, negative case analysis and rival explanations, triangulation, and referential adequacy. Before interviewing this study's participants, I reviewed the literature to increase my understanding of the topic and elaborated the interview protocol to serve for rich and in-depth data collection to yield data saturation. Additionally, I completed field testing with the subject matter experts before collecting the data to corroborate that the interview questions are essential to the participants and contribute to answering the study's CRQ. Finally, about 72 hours after interviewing each participant, I shared the interview transcripts with the participants for verification and confirmation to determine the validity of the study's results (Birt et al., 2016; Mak-van der Vossen et al., 2019).

### Transferability

Generalization through transferability in qualitative research requires that the researcher analyze and interpret the studied group through context-dependent knowledge (Carminati, 2018; Yin, 2017). One of the qualitative researcher's accountabilities includes delivering information or expertise, offering a path to the audience to choose the findings transferability possibility while ensuring the participants' speech is authentic and reflected (Birt et al., 2016). For this study, I used thick descriptions, member checking, prolonged engagement, observation, triangulation, member checking, audit trail, and reflexivity to ensure that the significance and the implications of this study's findings are preserved (Houghton et al., 2013).

Being consistent with the methodology approach and providing a detailed description of the research process and problem help researchers safeguard the transferability of a study's results (Anderson, 2017; Carminati, 2018; Delmar, 2010). For this study, I used a purposive sampling strategy to find academics and authors of peer-reviewed papers published in reputable scientific journals within the CE domain on Google Scholar between 2010 and 2020. A careful selection of participants followed then to form a small sample size for the study since the group's expertise supports reasoned arguments rather than biased assumptions for reaching sufficient data saturation (Hasson & Keeney, 2011; Morse, 2015).

**Dependability**

Morse (2015) recommended that researchers use audit trail, "overlapping methods," such as triangulation, detailed methodological description, and peer debriefing to guarantee dependability. For this study, I developed a methodological procedure, creating an audit trail that helped with the documentation and the description of decisions and actions taken during data collection to safeguard dependability. Additionally, I used the audit trails to record and exemplify the research and upcoming actions' progress. The trustworthiness protocol must align with the research process, including the research gap, the problem statement, the research question, the methodology, and the research design to consolidate a study's methodological approach (Amankwaa, 2016). For the effectual alignment of all the research's stages, I upheld the series of evidence to link the findings and the study's CRQ (Yin, 2017).

### Confirmability

Berger (2015) recommended that researchers use reflexivity and audit trail for the objectivity and the confirmability of the data. To ensure the study's objectivity, I remained very mindful of my subjectivities using persuasive techniques to prepare neutral questions being aware of my role as researcher and not the expert (Morse, 2015). During the data collection process, I  engaged reflexivity through a research journal to be aware of the researcher's role and association (social and emotional) to maintain the participants' voice and perspective and safeguard transparency (Berger, 2015). I also used audit trails to elaborate on the research stages, and I used triangulation to help guarantee corroboration and consistency of the results. The researcher's reflexivity could help stay focused and be aware of everything happening during the research process to ensure confirmability (Amankwaa, 2016).

## Study Results

This qualitative, multiple case study is framed by two concepts that focus on aligning with the purpose of the study, which is to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. A sample size of 7 subject matter experts participated in the interview process and shared the views on the motivations, challenges, and methods for luxury fashion leaders to make a profitable shift from a linear to a CE business model in a mature market. The overarching research question that directed this research study was: How do CE business experts describe how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets? As Saldaña (2016) recommended, a multiple-case study design served to collect segments of data that helped builds a list of phrases and words to categorize and index.

The hand-coding method was used to explore the pattern of themes that emerged from the thematic data analysis at first and then from the cross-case synthesis analysis. The second phase of the two-phase approach helped investigate the themes, differences, and similarities across the cases. Eisenhardt and Graebner (2007) and Yin (2017) argued that each unit of analysis in a multiple case study design becomes a case study in itself when the individual focuses on the research. In this study, the unit of analysis represented by an entity, an individual, a group, or an event is the CE expert. Systematically looking for similarities and differences of the evolving themes across the cases was an iterative process throughout the data analysis step. It involved filed notes explaining participant's experience s and views regarding the subject matter and the studied phenomenon (Yin, 2017). The data collected throughout the interview process was relevant and rich, eliminating the issue of non-relevant information.

The cross-case analysis conducted during the data analysis process helped establish if the was similarities among the case through a convergence and divergence analysis of the data collected (Yin, 2017). To implement triangulation, evidence from multiple sources was collected via numerous data collection methods. Semi-structured interview protocols, reflective field notes, archival data such as industry and business reports, and media articles on the CE were used during this study’s data analysis (Merriam & Tisdell, 2015; Yin, 2017). Additionally, audit trails and transcript reviews were conducted throughout the data collection and the data analysis processes.

The cross-case analysis foundation was built by categorizing the emerging themes during the data analysis process, which allowed a cross-reference of the results in the form of a table that I created to visually represent the participants’ direct quotes. The data synthesis method consisted of combining answers across various individual cases and reinforcing the study’s results while treating each case separately (Eisenhardt & Graebner, 2007; Yin, 2017). In this study, all the individual instances delivered suggestions to describe CE experts’ views on how luxury fashion leaders could make a profitable shift from a linear to a CE business model in mature markets.

Yin (2017) recommended consistency when collecting and analyzing data in a multiple case study design, a harmonized platform for cross-case comparisons, and thematic analysis. Consistency was applied in this study during the seven subject matter experts’ interview process and during the data analysis process. For instance, after each interview, participants were sent a transcript to verify their answers during the data collection process. Additionally, during the data analysis process, the manual coding process was conducted consistently to detect and categorize the emerging themes across the 7 cases. This study’s data analysis process was completed in two phases as described below: a within-case analysis of each of the selected cases and a cross-case analysis of the data to find similarities and differences across the categories and themes (Yin, 2017).

## First Phase: Thematic Analysis of the Textual Data

Since a synchronized data collection and data analysis could impact the strength of study results, Nowell et al. (2017) recommended conducting the data analysis in a sequence of steps for the trustworthiness process. A step-by-step process allows for a logical and objective obtention of study results, reflecting both the data collection and the data analysis processes and delivering credibility and dependability. According to Braun and Clarke (2006), it is critical to shift from collected data to vigorously analyze the data during the thematic analysis process to ensure trustworthiness. This study's thematic analysis approach included direct short quotes addressing specific points of the questions and long direct quotes for a comprehensive understanding of the participants' explanations that allowed them to maintain their voice and gather from the participant during the data collection (King, 2004).

The following paragraphs present the themes that emerged from the data collected and analyzed in this study.

**Mature companies will first gain a competitive advantage**. This theme describes one of the competitive advantages that luxury fashion businesses could obtain at an early adoption stage of the CE business model in a mature market. Firm leaders perceive sustainable luxury as a competitive advantage and affect consumers' purchase decisions (Derval, 2018). Participants described the challenges associated with the implementation of a CE business model in a mature market.

<u>Participant 1</u> "I think actually, you know, in a way, it is a double-edged sword, you know, from one side it is a significant challenge, you know, for them to implement

some notion in some principle of the CE, but on the other side it can really provide a significant competitive advantage to these companies."

Participant 4: "So, it's a bit of sustainability grows into the product or processes. And the goal, or from a certain point of view, the two points for competitiveness are, on the one side, the cost reduction. So, if you are more efficient in the usage of resources, of course, this also reduces your bill for the resources. And on the other side, certainly the way the idea that customers are more willing to have products that are designed that with certain attention to the environment".

**Competitiveness will depend on how many resources are in the product life cycle**. This theme describes how luxury fashion companies could use existing products to establish more sustainable processes in the product development lifecycle in a mature market. The already existing luxury fashion products beg for an innovative and sustainable economic model that favors circulatory, allows resources use efficiently while extending the final product life cycle, decrease landfill waste, thus economically benefiting the company through savings of the material cost and a decrease of environmental burdens (Prostean et al., 2020). According to the participants, luxury fashion brands' challenge is to have enough existing product lines to maintain continuous circularity in production while maintaining their design.

Participant 2: "My argument is, the companies that are going to gain the most out of this are mature industries and mature companies. The reason is that to have an effective CE, and you need to have a lot of materials out there already. So that is why a more mature company probably should adopt it before a less mature company or less mature industry because the materials are out there. There are clothes everywhere; you can take the clothes and recycle them in different ways. And as a matter of fact, the cycle has become so large in the fashion industry, and the mature company is that fashions come back."

Participant 4: "So, my personal experience with companies in the field is that the first approach to a CE is looking for more recyclable or recycled materials looking for more, or for reducing the energy consumption in that process. So that the starting point of the CE in a mature market is always the design for environment".

**Competitive advantage will be more vital within economic regions with robust operational frameworks for CE entry**. This theme describes how existing operational frameworks could enhance a company's competitive advantage when adopting a CE business model. With a wide range of applications across industries, sustainable consumption drives a visible impact on the luxury industry by reconciling traditional strategic decision-making, business models, and brand management practice (Gazzola et al., 2017). Participants argued that there is a need for luxury fashion companies to have an existing circular framework to gain a competitive advantage at an early stage of its adoption.

Participant 3: "So, we'll say that that depends greatly on the setup, there's no reason or precondition for a company to feel the shift into a CE might create the building block, or any form of the barrier of entry by just being a CE depends greatly on the nature of the company and how the company is set up to operate."

Participant 6: “So, it really depends on the operational framework where the company is in. Companies planting CE within the already the early stages of their work definitely will have considerable advantage and growth in their operations. And I will leave it there to say that companies working in a very strongly influenced environment of the CE like the one I explained, and they don’t do anything, they might face existence problems in the upcoming period”.

**Develop realistic supply chain forecasting**. This theme describes the initial advantage of having a realistic supply chain forecasting that luxury fashion businesses could get from adopting a CE business model. A shift to a sustainable supply chain system means social, environmental, and economic considerations, which could provide a significant competitive advantage to luxury fashion brands by addressing human rights, safety, and the environment (Chiaroni & Urbinati, 2017). Participants mentioned that luxury fashion brands who want to shift to a CE business model face supply chain challenges that could impede their ability to develop realistic forecasting.

Participant 3: “So, it all depends on the setup of the value chain. So, if you have a value chain, which is designed to reintegrate and the value back into your form of procurement or production on any form of reintegration value per se, and so, if you have a CE approach from the beginning, you tend to be, from a production perspective always inelastic from a price perspective, which doesn’t change what could happen from a consumer perspective, where you can actually have a price elasticity if the market allows it”.

Participant 5: “I think the business model, how it’s going to affect the competitors will be shifting the revenue design, and also the supply, where the supplies coming suppliers is going to shift a little bit on this. The whole Center for competitiveness is surrounded by how to use resources. So, when we say resources, we have the natural resources. And also, we have the product, still valuable, still functioning within the product lifecycle”.

**Overall cost reduction**. This theme describes the cost reduction that luxury fashion could undergo when transitioning from a linear to a CE business model. Over the past decade, scholars confirmed that the CE model preserves the value of energy, labor, and materials by designing for durability, reuse, remanufacturing, and recycling to keep products, components, and materials circulating in the economy (Coste-Maniere et al., 2019; Godart, & Seong, 2014). Participants described that luxury fashion leaders do not always perceive the CE business model’s business case, which is the overall cost reduction.

Participant 2: “When I talk about the business, the business case for more sustainable practices, and I think this goes across industries, but it could be written for the luxury industry. Number one is cost reduction. Even a luxury goods industry likes to have larger margins. So, if you reduce the cost, you have more profit. And how has it cost reduced? Well, you don’t generate waste. You minimize waste. So, you have better, more efficient processes that reduce costs”.

Participant 3: “So, I would say from a perspective of profitability, all the research we have done demonstrated that circular economies are much more profitable in the long term, mainly because they have a smarter way of dealing with their product or services or goods. And from a purely economic perspective, if you look at what waste is, it's mainly a degree of cost the test to have no marginal utility. In a CE, waste does have a marginal utility, and it is a marginal utility, which can also be adapted to circumstances of the market in what can become procurement".

**Positive brand reputation and image in the global market**. This theme describes how CE adoption could positively impact luxury fashion brands' reputation and image, encouraging sustainable consumption. Incorporating sustainable business practices could benefit the luxury fashion industry by protecting and promoting the brands via the incorporation of social expectations, by saving costs with the decrease of waste and raw material use, and by increasing financial performance, and by getting a competitive advantage within a market niche (Godart & Seong, 2014). Participants stated that the fashion brands that are not moving towards a more sustainable business model miss out on building a positive reputation and image in their market.

Participant 1: "So, in a way, you know, it's a win-win situation, it is allowing them to position themselves better in the eye of the consumers, as we were saying earlier on, you know, with the new generation appreciating these values more and more. And on the other side, this approach is bringing them you know, significant cost savings".

Participant 2: "Now the fourth reason is from a reputational perspective, image perspective, we mentioned that, that you could build your reputation saying we're clean, we're organic, we're this we're that. And it presents an image that the product or material you're selling has something beyond just looking good. But it's a socially conscious material. And the company you're buying it from is socially conscious. Image and I know image and reputation may play a big role from a luxury goods perspective. Now, in this case, here, you have a better image."

**Increased company value**. This theme describes increase company value as a profit-making driver when luxury fashion brands increase sustainable luxury fashion consumption. In particular, the CE business model drives companies to reduce environmental impacts, minimize resource consumption and support the life system, allowing the same companies to gain long-term competitive advantage (Winkler, 2011; Yuan et al., 2006). Participants emphasized how a CE business model could increase a company's value and that luxury fashion brands should take advantage of it.

Participant 2: "Number two is revenue generation. So, if you have waste products, and we mentioned this already, instead of you selling these, for example, dyes, and it's messy, the textile industry could be very dirty and messy. So instead of having chemicals and dyes, and we kind of talked about this, that are destroyed, that have to be destroyed and sent out, what if you could use them for something else, or what if you develop a process where you don't have to do that, and you can sell the dyes to somebody else as a bioproduct. So that's a revenue generation".

Participant 6: "Well, I think that the major point here that can be profit-making drivers is to invest in perception because here, you're looking for the profit-making drivers. The profit-making driver is a perception. So, the point here is that I think that especially luxury fashion leaders have to invest in changing the narrative. I think that's the most important thing. So that could be a solution as well that there are new materials that they can do even better bags than the leather bags, that they have this quality that they have this purpose that they have this thing, whatever. And then use these to change the narrative and tell the people, the men and the women, whatever is the product is that, you know, we have done that. Because people know when they buy a luxury brand that is not the cost, that is not the actual cost. It's, the overall image that comes with that. So that's what I would actually do".

**Born-circular and transition to CE firms will eventually dominate mature markets**. This theme describes that born-CE businesses and existing businesses transitioning from a linear to a circular business will have more mature markets. Research showed that there will be a regression of EBIT by over three percentage ten years from now if the fashion industry does not transition to a more sustainable business model, such as adopting a CE (Vignali et al., 2020). Participants argued that luxury fashion brands would face an existential challenge if they do not work their way towards a more sustainable business model. Sustainable companies will eventually dominate the market.

Participant 1: "The born circular ones, from the very early inception of their business, start implementing a business model, which is already driven by the notional principle of the CE. So, this can really provide them with significant savings from many different angles, you know, the idea that you are using all over again, the same material, the same fact that you know you're using for, you're looking for a high optimization of your resources throughout your production process, you know, all those kinds of measures that they implement, they all lead to a significant cost saving for them".

Participant 6 “And I will leave it there to say that companies working in a very strongly influenced environment of the CE like the one I explained, and they don’t do anything, they might face existence problems in the in the upcoming period.”

**Champion the business case for sustainability to stakeholders**. This theme describes the financial challenge that faces luxury fashion leaders when it comes to presenting the business case to stakeholders. Stakeholders expect luxury fashion brands to reconfigure their supply chain system towards a more sustainable one by delocalizing their production operations from the low labor developing countries to those industrialized and wealthy countries where most of the consumers are located (“Is Covid19 an opportunity”, 2020). Participants described the difficulties that luxury fashion leaders face when presenting the sustainability case to stakeholders as it required much financial commitment at the beginning of the process.

Participant 1: “So, you need to maybe rely on a partner, external partners, consultant, they might drive you through this shift. So, this is you know, something that may be is more accessible to large established players where they are really committed to this change, and the top managers are actually really on board to embrace this change”.

Participant 7: “So, you see, somehow, you have a whole ecosystem based on what you eat, it will also say what you wear, and so on and so on. So financially, for sure, if people did it in a really in a wild way from the start, they will have a long way to go. So, because their whole model was not built on something ethical or sustainable or something like that, for sure, if they tried to correct it, the margin will be dramatically cut, and the shareholder is there are some will not be happy”.

**Strong financial standing to sustain the transition journey from linear to a CE business model**. This theme describes the challenge that faces luxury fashion brands when they do not have financial solid settled to support the transition process from a linear to a CE business model. All the technological shifting and adaptation that requires implementing a CE impact on products' value, and brands need to find innovative ways to maintain and even increase the product's financial value in the market (Ferasso et al., 2020). Participants explained the financial challenges that luxury fashion companies face in transitioning from a linear, CE model to a CE business model; moreover, that that requires an existing solid financial standing.

<u>Participant 2</u>: "This is what all the different things you have for sustainability, CE, you have to invest in people, you have to invest in technology, you have to develop new processes, you have to even develop new markets. All of this is a lot of effort and time, and money. So, imagine starting something from scratch that you never did before as an organization, how expensive that's going to be. You're going to have to find companies; you're going to have to find distributors, you're going to have to find collectors, you're going to have to find processors processing that isn't the same as you're for processing might even have to build new facilities and purchase new equipment that you've never used before to be able to leech something out to take it out and put the dye to separate these chemicals and separations that have aggregation. That can be very expensive equipment".

<u>Participant 4</u>: "The main point is that if we assume a model, which is truly circular, that means that the customers are paying service and not the product, you have

to sustain the working capital cycle with a lower amount of money coming from the customer. So, there is a kind of transition window where the amount of monthly fee is not yet enough to cover your investments. And before you get the customer base large enough to sustain and keep the circle, it could take, depending on the case, even years, before you reach the same amount of cash in from the after-sales of a product depending on the cycle. So, the financial problem is mostly in realigning the recreating this kind of virtual warehouse with your customers".

**Substantial investments in R&D**. This theme describes the financial challenge that faces luxury fashion companies related to the need to invest in R&D when it comes to transitioning to a more sustainable business model. Adopting a CE business model implies incorporating recurrences in the end product's life cycle, starting from its design to its use, which involves innovation and substantial investment in R&D (Guldmann & Huulgaard, 2020). Participants mentioned one of the most critical issues that luxury fashion brands face when they are in the process of transitioning from a linear to a more sustainable business model: considerable financial investment in R&D.

<u>Participant 1</u>: "Yes, I think, you know, they need to make substantial investments in terms of R&D. I mean, this doesn't really come cheaply, you know, especially if you have already a well-established business model, and you have to implement some changes to the technologies that you're using, you might acquire, some know-how that you don't have. So, there is a lot of R&D activities that go in there before you can fruitfully explore the outcome of having implemented the CE".

Participant 4: “For example, in the clothes, if you want to rework the fibers or reuse the original materials in your process, of course, the treatment that you need to put on the fiber are additional processes you have to invest in, in order to have it ready for the CE. So, investing in your process, which is a time zero outflow of money and, on the other side, waiting for the customer to pay as a service for maybe a few years because you reach the same level of cash in the linear model”.

**Mitigate market volatility through strong financial processes and controls**. This theme describes market volatility challenges that face luxury fashion brands in the business model transition, requiring sustainable processes and controls. With luxury fashion brands fronting pressures from the mid-market fashion industry through decedent price difficulties with less predictability and increased variability of products, a sustainable luxury business model is crucial (Karaosman et al., 2018). Participants explained the market volatility challenge that luxury fashion companies face when transitioning to a CE business model.

Participant 1: “But, you know, there is that initial stage where you have to invest a lot of money, spend a lot in R&D, for instance, you know, to start changing your way of doing business in a way. And that has a significant cost for these firms also to resolve the issue up, organizationally, organizational inertia, in a way, you know, those companies that have been very successful in their field for a long time, somehow approach change, with a much more reluctant approach somehow. Because they have been winners, you know, so far, so is very, they have very little incentive to embrace that change. And that process of change sometimes is much more difficult for them, you know, much more costly sometimes is longer, the change is not managed that efficiently”.

Participant 3: “And so, if you have a CE approach from the beginning, you tend to be, from a production perspective always inelastic from a price perspective, which doesn’t change what could happen from a from a consumer perspective, where you can actually have a price elasticity if the market allows it.”

**Use updated technology for recycling**. This theme describes the technical challenges of updating the existing technology to a more efficient and sustainable one when a luxury fashion company transitions to a sustainable business model. The fashion industry could reduce the environmental footprint by considering the reuse of textiles and recycling to decrease solid waste and energy consumption (Shirvanimoghaddam et al., 2020). Participants describe the difficulties of getting updated technology to recycle when a luxury fashion brand switches to a more sustainable business model.

Participant 1: “Well, there are multiple challenges in terms of technologies, you know, for instance, many of the firms that we have worked with, they would all be claiming this challenge about, you know, dividing, for example, recycling fabrics, that they were made by several materials, for instance, you know, mix materials. So recycling is a particular challenge for them, according to the kind of technology that is available at the moment”.

Participant 2: “And some of the technology may not exist. So, you’re going to have to try to put your emphasis on a new technology that you may not even need, your market may not even need, and you may lose out on it. So that I say these are all the limitations very complex. And you know not everybody has the experience, expertise, or knowledge. And you have to build that in your organization. You have to invest in that. Now, if you're going to set up a takeback system, you're going to have to identify where you're going to take it back, you're going to have to set up the foreign supply chain that has been set up to get the product material to a customer has been set up no problem. The reverse supply chain has not been set up. And that's going to require just as much complexity investment as the forward supply chain".

**Invest in developing new technology to support the CE**. This theme describes luxury fashion leaders' challenges to develop brand new and sustainable technology to support the new business model. Sustainable business models are drive-by innovation and the use of new technologies, which are proven to be profitable for companies in general through cost savings and consumer satisfaction (Muthu, 2018). Participants explained the need for a luxury fashion brand to invest in developing new technologies as the old existing ones will not support the CE.

<u>Participant 4:</u> "I think digital technologies are of paramount importance for the transition to a CE; if I want to keep the product under control over time, it means that I need to collect information about the usage of the product. And now what is in the customers ends for a period of time. And for the accessorized again, this talks about wearable technologies. These challenges are technological on the one side, but the real point I want to raise is the challenge is not the technology. The smart tag is already there, and it's even cheaper, particularly in the luxury industry, it doesn't matter if you need to

add that two euros smart tagging in your clothes is still certainly changing your P&L, and the same is for the wearables".

Participant 7: "And to answer your question, the technology that can help, of course, is anything that will have to do on-demand. Because let's face it, some companies, some marketers are smarter understanding people, and we help them and some not that good. So, let's think that making on-demand will save them from the lack of understanding of people".

**Invest in agri-technology solutions**. This theme describes the need for luxury fashion brands transitioning to a more sustainable business model to invest in a new type of technology, agri-technology, that could support the new business model. Adopting a CE business model allows luxury fashion brands to change how they operate and create a regenerative economy, which requires investing in innovative technology in agriculture, for instance (Guldmann & Huulgaard, 2020). Participants labeled the difficulties luxury fashion brands face about investing in agri-technology when transitioning to a more sustainable business model.

Participant 3: "There are many luxury companies that I think are getting their product from agricultural or farming processes, you know, that would be a form of disruption that can happen if you are changing agriculture into what we call Agri-tech. And that could be, of course, a degree of disruption that changes the entire concept of where you take in your, your materials from".

Participant 5: "So, actually, in this domain, luxury involves different elements, we have material, and which involves chemicals or things, new synthetic materials, right, or evolve with ethical materials as cold war as an example. And the second step would be the manufacturing process. The manufacturing process involves supply chain, how to be more transparent and to use more sustainable labor to understand his ethical transaction and labor respect as an example, as well".

**Luxury fashion entrepreneurs must have agile leadership capabilities**. This theme describes the importance of agile leadership capabilities for luxury fashion leaders to make a profitable shift from a linear to a CE business model in mature markets. The CE business model allows luxury fashion leaders to enhance their sustainability while maintaining their entrepreneurial vision and profitability (Donato et al., 2019). Participants emphasized that luxury fashion leaders need to display agile leadership as shifting business models could require adaptability, flexibility, and calibrated responsiveness.

Participant 2: "The third one is, as I mentioned, building resiliency in your supply chain. And in this case here, resiliency essentially means that you keep your operations going. And this is where the COVID crisis comes into play. When you lose material, when you lose global sourcing of any material, it becomes very difficult to keep manufacturing your product, and there's going to be demand capacity issues there. If you have a CE, you kind of have an established circular loop that keeps your supply chain moving. And that builds resilience."

Participant 3: "And I think in some organizations, there are still many people, they don't see the business case for sustainability, they consider this to be still a cost. That's because we measure it in the incorrect form, or because we measure it on narrowly financial terms and short term and narrowly financial and short term, the major opportunity is really to start redefining where production tends to happen. So, one of the challenges would be if you're producing in countries where you have a relatively low cost of production, maybe in those specific countries, adapting to a more sustainable set of practices might increase the cost of capital and the cost of labor".

**Plan incremental changes to protect the firm financially**. This theme describes how luxury fashion brands could make a profitable shift from a linear to a CE business model through a planned incremental changes process to safeguard the company finances. Incorporating sustainable business practices into the already long, complicated, and fragile existing luxury fashion's linear business model could be disruptive, thus requires a gradual shift to avoid limiting the financial impact (Grant, 2020). Participants described the financial challenge that luxury fashion brands faced in adopting a CE and recommended a planned incremental process.

Participant 5: "I would say there are two pieces of advice. One is to do it incrementally for a matter of your company's survival. So too, because it's a business, right? If the change is too big, and then you are SME, and then your steps are way over the market acceptance, your business is going to go bankrupt because you have a very tiny niche market, you're going to have trouble for balance sheet for your financials".

Participant 4: "So, investing in your process, which is a time zero outflow of money and, on the other side, waiting for the customer to pay as a service for maybe a few years so that you reach the same level of cash in as the linear model. Yeah. So, this displacement is quite relevant and can be paid later if you assume that in the long term, the exchange is positive, so you get a larger customer base or more cash inflows. And, of course, you have lower cash outflows for your raw materials or so on. So, when we are at the end of the journey, the financials are positive. The point is to sustain the transition journey. That's the most the most crucial part".

**Market to Gen Y/Gen Z customer values on sustainability**. This theme describes luxury fashion brands' need to market sustainable consumption, specifically among Gen Y and Gen Z customers, whose values align with a sustainability agenda. Luxury fashion brands need to find innovative ways of communicating their sustainability business model to their consumers since many luxury fashion consumers approve of sustainability ideas and recognize the importance of protecting the environment, even though their current fashion buying choice is not aligned the ethical consciousness (Lee et al., 2020). participants argued that luxury fashion leaders face communication challenges regarding Gen Y/Z customers, who constitute one of the most significant consumer segments.

Participant 4: "So, it's not that sustainable products are more expensive then but the fact that it's easier to market, to the customer, your product if they are sustainable. So, its part becomes part of a value proposition. It does increase your price, but it creates a relationship with your customer. So, it's a way to, to adapt your value proposition to the change behaviors of the change attitudes of the customers".

Participant 3: "So, like a sense of social norming, rather than luxury being exclusive in the sense that it excludes, a group of segmentations I think there's a whole conversation about positioning that doesn't work as well with Millennial generation, Zs, or anyone that was born somehow in this postindustrial world. I guess that will be their major incentive to make sure that they could really start appealing in ways in which is not necessarily going to be perceived as a form of alienation from what this generation believes in”.

**Broader collaboration architecture between a CE business leader and cross-functional teams**. This theme describes luxury fashion leaders must collaborate with their cross-functional teams to transition from a linear to a CE business model. An implementation of a sustainable supply chain network requires not only the consideration of the three dimensions – people, planet, and profit – but also a collaboration between those involved in the system, a good flow of capital and information, and an organization of the material (Karaosman et al., 2018). participants mentioned the challenges that luxury fashion leaders face when they do not collaborate with upper management and cross-functional teams to support the CE adoption process.

Participant 1: “I think, like, a valuable piece of advice would be that you know, these company really needs to be brave, they really need to have the top management on board to embrace this change in an effective manner. Because, you know, if that top management is not fully on board with this kind of change, the change is unlikely to be successful”.

Participant 2: “You have to involve multiple functions to come to arise at the decision that an individual function, whether it’s marketing, or whether it’s operations, or whether it’s environmental sustainability group, or whether it’s a warranty, customer service, group, finance, accounting, they all need to be involved in this decision because it's a multifaceted decision. So cross functionalism is an absolute requirement. And for cross functionalism to work, that means top management; the very top management needs to support all of those functions. Otherwise, the decision will be suboptimal, you know, so you might get what sustainability wants, but not what marketing wants and what operations can do".

**Gen Y/Gen Z customer values sustainable luxury**. This theme describes that after luxury fashion brands adopt a more sustainable business model, Gen Y/Gen Z customers value and appreciate sustainable luxury. An increasing number of consumers are willing to pay a higher price for the perceived added value that a sustainably manufactured product has with the care for people and the planet (Alonso-Almeida et al., 2020). participants explained the difficulties luxury fashion companies face when they do not adopt sustainable business practices as more consumers are caring about the people and the planet.

Participant 1: "I think, especially the new generation, the millennials, the generation Z's, and there is a lot of empirical work showing that they are really more pragmatic in their approach to sustainability in a way. And therefore, I think the CE, through some practical measure, is really gathering to this kind of needs that the consumers have nowadays. So, the idea that you have like this, for instance, take back systems or,  this new business model, like rental business models, for instance, that have become increasingly established in the luxury industry, this is really appealing to that generation, and to that kind of visible shift that we are all witnessing somehow".

Participant 3: “You know, in many mature market’s Millennials are disenfranchised by luxury from luxury. And there are multiple companies trying to understand how to appeal to a segmentation that has somehow not the same sense of belonging to a luxury product has, for example, people that were born before the millennium, right, so there is a clear problem of appealing to a group of people that don’t see value in luxury, they could start shifting that degree of appeal if they were merely championing sustainability and looking at luxury, more of a mindset, a status quo”.

**Higher-quality products from a value perspective**. This theme describes that after adopting a CE, the business model product has better quality when considering the product value. An increasing number of consumers are willing to pay a higher price for the perceived added value that a sustainably manufactured product has with the care for people and the planet (Alonso-Almeida et al., 2020). participants stated that luxury fashion brands might face the challenge of not producing higher quality products when they do not have a sustainable business model.

Participant 2: “So, reputation legitimate. And legitimacy essentially says that we have the right to operate here. So, imagine we want to build a relatively dirty manufacturing site that has all these dyes and our suppliers. If we are very good at managing this waste, and we’re very clean, we can build almost anywhere, people want jobs, but they don’t want dirty jobs. So, if you develop a CE principle where you can reuse waste, you don’t generate zero amounts. You can build anywhere. And that is the license to operate.”

<u>Participant 3</u>: “So, you know, products from a CE company, they tend to be simply of a better value proposition you know, in strategy, which is determined by the integration of the activity in the value chain, you have no value margin, which is how you express an economic model. And then you have access to the market, which is somehow driven by market structure in a sensitive for pricing, availability, distribution and all of that the consumer who is baking in a CE product, they tend to have just a better-quality product from perspective value. But if you’re looking at retailers or fast consumers goods, there’s some form of quality that is integrated in the fact that product will go through a process of design and engineering that takes into account things like obsolescence, by refurbishing and, and decrease, for example, what could also be an environmental waste”.

**Customer’s support of local businesses in the CE supply chain**. This theme describes that the CE implementation fosters better local businesses’ support by the luxury brands’ customers. A CE business model drives companies to become sustainable by establishing closed-loop supply chains, establishing collaborative relationships with external partners as a supplemental activity to sustainable managerial and organizational practices (Chiaroni & Urbinati, 2017). participants mentioned the challenge luxury fashion companies face in their complex existing supply chain system and suggested that they embrace local production locally as customers will support environmental values.

<u>Participant 2:</u> “Okay, I think in that situation, that people would be willing to accept almost more products, almost any type of products because they realize the scarcity of materials and so on, they live through a COVID situation where materials are

very scarce. So, in that situation, if the materials, or I'm sorry, the end products are very scarce, the materials may be available locally, rather than nationally or globally. And that's where the CE works best is when you localize it, that you can capture it, and actually do it right there and send it right back to that customer. And that would probably be the most efficient CE. So instead of getting materials or old clothes or somewhere from across the world, which may never come because of COVID type issues, setting up a localized system may be the best, and as a matter of fact, the localized fashion system probably might be one of the better ones".

Participant 7: "I think the added value we can talk about is in the example that I gave you, you will add the satisfaction of the people because they don't have the impression to contribute to the waist. Because you know, if you order something it doesn't fit, and then you toss it, or you return you feel bad. You think, Oh, did I miss measure you will feel a bit bad, you know, you're like, oh, maybe, it's not my side. Somehow, it's not a pleasant feeling. So I think that in the same way, if you have the impression that the clothing you're buying, somehow you had children working on them, you know, it's not a nice feeling".

**Today's customers value sustainable consumption**. This theme describes how actual customers in mature markets understand and accept sustainable consumption. Donato et al. (2020) define sustainable luxury consumption as a rising concept leveraging luxury firms' competitive strategies and affecting consumers' purchase decisions. Participants described the difficulties unsustainable luxury fashion brands face since today's customers call for sustainable consumption in mature markets.

Participant 2: "Now, one of the things about selling green products is people don't want to pay a premium for green products, even though they pay for its perception. But the luxury item industry, maybe very much can easily sell that. Because not only do you look good, and you paid the price, but it's also green, I'm doing good for the world. See how good I am. I'm good because I dress well. But I'm good because I also help the world. Absolutely sell that. And there's, and I think the luxury industry may be able to sell green better than almost any other industry to people and people be willing to pay for it because a lot of luxury industry has to do with Look what I have that you don't have. Okay, in green is one of those things that sell like that, believe it or not".

Participant 6: "Well, the CE can add value to its customers from many ends. First of all, if they apply the CE business model, then by default, this model is serving the overall sustainability purpose; it's serving the overall climate impact targets and many other things. So by applying the CE business model, it adds value to the customers. Because customers are human beings, and they want a better life. And the second thing is that the cyclical business model can add value to the customers because it helps the mindset shift. A customer who is involved within a business as a client that applies CE, then it becomes little by little second nature of the people to do things in a circular way".

**Second Phase: Cross-Case Synthesis and Analysis**

Evidence-based reasoning using comprehensive analysis framed by two main conceptual frameworks aligned with the study purpose was developed for this study (Cooper & White, 2012; Yin, 2017). Additionally, to categorize the 23 themes, a cross-case analysis and synthesis method was used to crossways the seven cases (Yin, 2017).

Eisenhardt (1989) and Yin (2017) recommended using the cross-case synthesis method to reinforce the data analysis process, coupled with the thematic analysis technique for the results' trustworthiness and transferability purposes. Instead of using the meta-analysis technique that is more applicable to more prominent sample cases, I used the word tables method to locate the repletion between the cases (Yin, 2017).

The goal of conducting a cross-case synthesis method is to discover the divergence and the convergence between the cases through the data and separate isolated data from the analysis process (Yin, 2017). I used the cross-case analysis method in a distinct iterative process to analyze the data for each of the 7 cases. That allowed to spot on the themes and patterns of the participants' views on how luxury fashion leaders could make a profitable shift from a linear to a CE business model in mature markets.

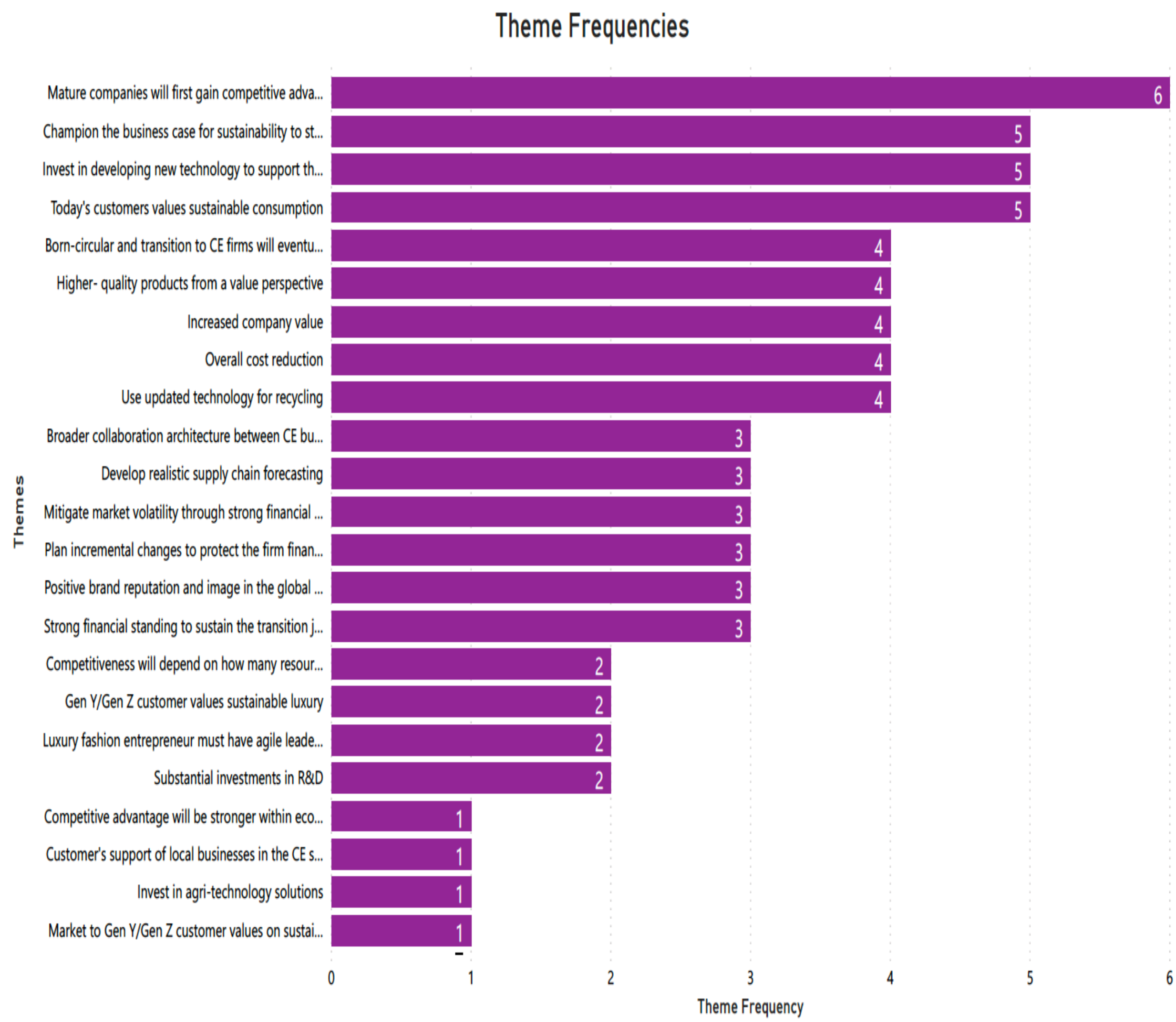
According to Flick (2018), there is no standard procedure to conduct data analysis of expert interviews, as numerous techniques could be used. Scholars in social studies consent that every qualitative method applies to the data analysis process, such as the code-based method used in the thematic analysis of the collected data (Bogner et al., 2018). Rosenthal (2018) recommended that I base my interpretive narrative on a frequency mixture for this study. This study's themes emerged by the occurrence of at least five out of the seven total cases, and the study's results, implications, and recommendations are presented in chapter 5.

Six significant coding categories emerged from the data collected among 7 cases: (a) initial effect of CE business model adoption on competitive advantage; (b) profit-making drivers for firms to increase sustainable luxury fashion consumption; (c) financial challenges for firms in the transition from a linear to a CE business model; (d) technology challenges for firms in the transition from a linear to a CE business model; (e) achieving the profitable shift from a linear to a CE model in mature markets; and (f) added value for customers after CE business model adoption. Four themes figured outstand across five out of the 7 cases: (a) Mature companies will first gain competitive advantage; (b) champion the business case for sustainability to stakeholders; (c) invest in developing new technology to support the CE; (d) today's customers value sustainable consumption

Four out of the seven CE business experts provided information on the advantages of adopting a CE by luxury fashion leaders that include higher-quality products from a value perspective, increased company value, and an overall cost reduction. The experts emphasized the importance of using updated technology for recycling, which requires luxury fashion brands to invest in technology to support the new business model.

Figure 1 below presents a visual representation of each theme's cumulative frequencies by occurrence from the thematic analysis results from each case congregated to answer the research question.

**Figure 1.** *Cross-Case Synthesis Results (Theme Frequency of Occurance by Participant)*




According to Littig and Pöchhacker (2014), the interpretative knowledge of experts' interviews constitutes the study's explorative purpose. Therefore, the data collected that has evaluation, interpretation, and orientation were investigated in this study. The experts' interpretative knowledge and beliefs came from their open nature through intensive thematic theory narrative (Van Audenhove & Donders, 2019).

**Triangulation**

Using triangulation in a research study enhances the results' trustworthiness and improves a comprehensive understanding of the data (Yin, 2017). Triangulation allows the researcher to use different techniques to gather data from different sources to ensure the information's substantiation. This study used three different sources of data, including (a) semistructured interviews led using by an interview protocol (Appendix B) that followed a standard and design of previous researchers; (b) archival data in the form of CE practitioner-based (Yin, 2017); and (c) journaling/reflective field notes (Merriam & Tisdell, 2015) held by the researcher through the data collection process. According to Stake (2013), the codes are blended into themes via different data sources: interviews, field notes, archival data, and historical literature.

According to Merriam and Tisdell (2015) and Stake (2013), journaling and reflective field notes are habitually used in qualitative research studies. Reflexivity became an essential component in organizational studies (Haynes, 2012). In this study, observation technique was used, and the other data sources to align with the constructivist paradigm and with the research question by keeping reflective field notes, which are unstructured observations (Katz, 2015). Stake (2013) argued that reflexivity is an essential constituent of data analysis for case study design. In this study, the participants' voices were kept, allowing them to achieve a deep understanding of the different sources of evidence and protect the data's trustworthiness from alleviating any reflexivity-generated subjectivity (Alvesson & Sköldberg, 2017). Additionally, each participant was sent their interview transcript to verify their answers to the interview questions since member checking the transcript helps assess the researcher's reflexivity (Merriam & Tisdell, 2015).

This study used a semistructured interview protocol to standardize the data collection, as presented in Appendix B. A combination of the transcript report, an audit trail, memos of the study's progress, and a coding structure served for documenting the research. Upholding an audit trail and conducting a triangulation within the data sources helped safeguard the results' dependability (Guion et al., 2011). The data triangulation conducted during the data analysis process helped discover similarities and differences among the data sources reinforced by the archival data analysis and the reflective field notes.

Yin (2017) described triangulation as an analytic technique and the main component of a case study design that validates fieldwork data and qualitative data. Multiple data analysis methods exist such as investigating opposing, explanations case description, analytic techniques to compare proposed relationships with empirical patterns, but data triangulation was used in this study to ensure the validity of the results and obtain multiple measures of the phenomenon (Halkias & Neubert, 2020; & Yin, 2017). The pattern-matching logic technique was also used with the archival data to empirically associate and predict the patterns, aligning with the primary data analysis such as explanation building, logic models, and cross-case synthesis.

I started the data analysis process using triangulation at the end of the data collection process through participant interviews. Eighty-nine peer-reviewed articles from the scientific journal were annotated in the literature review. A total of 106 papers, including conference papers, industry reports, magazine/blogs reports, and white papers, were collected. All the peer-reviewed articles were the foundation of this research; the reports complemented the literature sources. They increased my knowledge on sustainability and the CE business model, which mitigated my subjectivity as a researcher and allowed me to catch the significance of repetitive concepts that lead to the themes, ensuring credibility, accuracy, and completeness (Fusch & Ness, 2015).

The archival data that came from industry, business, and media reports on CE complemented the research findings and supported the study's principal source of data that is the semistructured interviews. Archival data analysis using three additional data sources to yield in-depth information through methodological triangulation helped answer the research question and ensure the study's trustworthiness (Guion et al., 2011; Yin, 2017). The triangulation results using the study's conceptual framework allowed the knowledge extension of the study's findings associated with the CE business experts' views on how luxury fashion leaders could make a profitable shift from a linear to a CE business model in mature markets.

## Summary and Transition

This chapter presented a case-by-case analysis of 7 CE business experts, a cross-case analysis, and a synthesis to answer the research question: How do CE business experts describe how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets?  This multiple case research study revealed the participants' understanding and views that appeared from the data analysis.

This study's data analysis process was completed following a two-step process: (a) a thematic analysis of the textual data and (b) a cross-case synthesis analysis (see Yin, 2017). Six codes arose from data collected in this multiple case study, which included a total of 23 themes, delivering rich data from participants' experiences. The six codes that emerged are (a) initial effect of CE business model adoption on competitive advantage; (b) profit-making drivers for firms to increase sustainable luxury fashion consumption; (c) financial challenges for firms in the transition from a linear to a CE business model; (d) technology challenges for firms in the transition from a linear to a CE business model; (e) achieving the profitable shift from a linear to a CE model in mature markets; and (f) an added value for customers after CE business model adoption.

This study's data analysis method used a cross-case analysis and synthesis to associate the cases' main findings after the themes across the cases were organized. The 23 themes that arise from the data analysis include: (a) mature companies will first gain competitive advantage; (b) competitiveness will depend on how many resources are in the product Lifecyle; (c) competitive advantage will be more substantial within economic regions with robust operational frameworks for CE entry; (d) develop realistic supply chain forecasting; (e) overall cost reduction; (f) positive brand reputation and image in the global market; (g) increased company value ; (h) born-circular and transition to CE firms will eventually dominate mature markets, (i) champion the business case for sustainability to stakeholders; (j) strong financial standing to sustain the transition journey from linear to CE business model; (k) substantial investments in R&D; (l) mitigate market volatility through strong financial processes and controls; (m) use updated technology for recycling; (n) invest in developing new technology to support the CE; (o) invest in agri-technology solutions; (p) luxury fashion entrepreneur must have agile leadership capabilities; (q) plan incremental changes to protect the firm financially; (r) market to Gen Y/Gen Z customer values on sustainability; (s) broader collaboration architecture between CE business leader and cross-functional teams; (t) Gen Y/Gen Z customer values sustainable luxury; (u) higher- quality products from a value perspective; (v) customer's support of local businesses in the CE supply chain ; (w) today's customers values sustainable consumption.

Using a triangulation method through three different data sources, including a semistructured interview protocol, archival data from practitioner-based CE reports (see Yin, 2017), and reflective field notes (Merriam & Grenier, 2019), ensured the trustworthiness of the research's data. The results of this multiple case study were analyzed and interpreted through the study's conceptual framework: 1) Donato et al.'s (2020) concept of sustainable luxury consumption and 2) Chiaroni and Urbinati's (2017) concept of adopting a circular business model, which "relies on large quantities of easily accessible resources and energy, and as such is increasingly unfit to the reality in which it operates" (p.1). Scholars previously argued that incorporating sustainable business practices into the already long, complicated, and fragile existing luxury fashion's linear business model could be disruptive, thus requires a gradual shift to avoid limiting the financial impact (Grant, 2020).

This qualitative multiple case study's purpose was to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. This study may be significant to theory by extending academic knowledge in how fashion leaders can leverage existing sustainable concepts in improving production activities and their bottom line in the long run by meeting consumer demands (Chiaroni & Urbinati, 2017; Donato et al., 2020).

An interpretation of this study's findings will be presented in Chapter 5 and contrasted to the literature review presented in Chapter 2. Additionally, I will elaborate on findings' implications for theory, practice, policy, and social change. Chapter 5 will also include clarifying how this study extends the body of knowledge on how luxury fashion leaders could make a profitable shift to a CE business model. Finally, Chapter 5 will describe how this study's findings will extend to the research community.

# Chapter 5: Discussion, Conclusions, and Recommendations

The purpose of this qualitative, multiple case study is to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. To meet the study's purpose and address this documented knowledge gap among luxury fashion leaders, and consistent with the qualitative paradigm, a multiple case study design (see Yin, 2017) has been used to collect data from a purposeful sample of CE business experts. Semistructured interviews (Yin, 2017), archival data, and reflective field notes (Merriam & Tisdell, 2015) were used to drive the trustworthiness of the multiple case study findings through data triangulation (Guion et al., 2011; Halkias & Neubert, 2020). The qualitative approach and the interviews allowed data collection to reflect the views and elaboration of the study's participants' personal experiences on how luxury fashion brands could make a profitable shift from a linear to a CE business model in mature markets (Jacob & Furgerson, 2012).

The open nature of expert interviews allowed collecting data from experts' breadth of knowledge and experience in research fields that still need exploring (Littig & Pöchhacker, 2014). This study may be significant to theory by extending academic knowledge in how luxury fashion leaders can make a profitable shift from a linear to a circular business model in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020). This study was framed by two concepts that focus on aligning with the purpose of the study, describing CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets: 1) Donato et al.'s (2020) concept of sustainable luxury consumption and 2) Chiaroni and Urbinati's (2017) concept of adopting a circular business model which "relies on large quantities of easily accessible resources and energy, and as such is increasingly unfit to the reality in which it operates" (p.1). The extant literature identified luxury consumption within mature markets as an expression of wealth, social status, beauty, and knowledge. However, there is little extant literature on how luxury brands can leverage the CE business model to build on their sustainability journey by interfacing the CE paradigm with their entrepreneurial capabilities.

As scholars recommended more empirical studies to gain a deeper understanding of companies' transition towards the new industrial paradigm of CE (Centobelli et al., 2020; Ünal et al., 2019), the results of this study contributed to creating practitioner-based knowledge for luxury fashion leaders on the circular business model (Mazzeo, 2020; Vignali et al., 2020). According to Yin (2017), a multiple case study investigation allows the researcher to investigate phenomena through a replication strategy that extends the theoretical model. The data collected trough the semistrured interviews of seven participants was analyzed through thematic and cross case synthesis analyses, and it revealed 23 themes: (a) mature companies will first gain competitive advantage; (b) competitiveness will depend on how many resources are in the product Lifecyle; (c) competitive advantage will be more substantial within economic regions with robust operational frameworks for CE entry; (d) develop realistic supply chain forecasting; (e) overall cost reduction; (f) positive brand reputation and image in the global market; (g) increased company value ; (h) born-circular and transition to CE firms will eventually dominate mature markets, (i) champion the business case for sustainability to stakeholders; (j) strong financial standing to sustain the transition journey from linear to CE business model; (k) substantial investments in R&D; (l) mitigate market volatility through strong financial processes and controls; (m) use updated technology for recycling; (n) invest in developing new technology to support the CE; (o) invest in agri-technology solutions; (p) luxury fashion entrepreneur must have agile leadership capabilities; (q) plan incremental changes to protect the firm financially; (r) market to Gen Y/Gen Z customer values on sustainability; (s) broader collaboration architecture between CE business leader and cross-functional teams; (t) Gen Y/Gen Z customer values sustainable luxury; (u) higher- quality products from a value perspective; (v) customer's support of local businesses in the CE supply chain ; and (w) today's customers values sustainable consumption.

## Interpretation of Findings

The findings of this multiple case study with embedded units confirmed and extended current knowledge in the discipline, with each case presenting examples of issues presented in the conceptual framework and discussed in the Chapter 2 literature review. This section presents and reviews the study's findings in the context of the six coding categories that emerged from the data analysis: a) initial effect of CE business model adoption on competitive advantage; (b) profit-making drivers for firms to increase sustainable luxury fashion consumption; (c) financial challenges for firms in the transition from a linear to a CE business model; (d) technology challenges for firms in the transition from a linear to a CE business model; (e) achieving the profitable shift from a linear to a CE model in mature markets; and (f) an added value for customers after CE business model adoption. Each of the coding categories was compared with relevant concepts from the conceptual framework and the extant literature reviewed in Chapter 2. I provided evidence from the seven semistructured interviews to support how the study's findings confirm, disconfirm, or extend existing knowledge. This process of analyzing and presenting data evidence for theory extension in a multiple case study demonstrates the complexity of responding to the inductive and deductive evaluation process of qualitative data (Halkias & Neubert, 2020). Extension studies, such as this multiple case study, provide replication evidence and support the extension of prior research results by offering valuable insights and new theoretical directions (see Bonett, 2012).

**Mature Companies Will First Gain a Competitive Advantage**

Scholars indicate that while the luxury fashion industry is not rapidly moving toward sustainable business practices through sourcing, manufacturing, and marketing, its leaders now face a significant business challenge: how to keep creating luxury fashion, for a growing population with disposable income, without further damaging the planet (Athwal et al., 2019; Grant, 2020). My study results confirmed that although luxury fashion leaders face challenges towards adopting sustainable business practices, mature companies will first gain a competitive advantage when transitioning from a linear to a CE business model. Study participants confirm that transitioning from a linear to a CE business model is a double-edged sword for luxury fashion leaders. It is a significant challenge for them to implement some notion in some CE principles from one side. However, on the other side, it can provide a significant competitive advantage to these companies. This study result aligns with Derval's (2018) conclusions that firm leaders perceive sustainable luxury as a competitive advantage and affect consumers' purchase decisions.

**Competitiveness Will Depend on How Many Resources are in the Product Life Cycle.**

Scholars indicate that with global textile production now exceeding 100 billion garments annually and excess utilization of resources previously considered available in unlimited quantities, luxury retailers need to urgently reconsider their adherence to Porter's anachronistic linear take-make-dispose economic model (Jacometti, 2019; Shirvanimoghaddam et al., 2020). My study results confirmed that the more resources are available in the product life, the more competitive a company will be when adopting a CE.

Study participants' arguments aligned with the study results and indicated that the companies that will gain the most out of this are mature industries and mature companies. Moreover, to have a practical CE, there is a need to have many materials out there already. This study's results extend knowledge based on the work of Prostean et al. (2020) on how already existing luxury fashion products beg for an innovative and sustainable economic model that favors circulatory, allows resources use efficiently while extending the final product life cycle, and decrease landfill waste, thus economically benefiting the company through savings of the material cost and a decrease of environmental burdens.

**Competitive Advantage Will be More Vital Within Economic Regions With Robust Operational Frameworks for CE Entry**

Scholars denote a shift to a sustainable supply chain system means social, environmental, and economic considerations, which could provide a significant competitive advantage to luxury fashion brands by addressing human rights, safety, and the environment (Chiaroni & Urbinati, 2017). My study results established that existing operational frameworks could enhance a company's competitive advantage when transitioning from a linear to a CE business model. Study participants asserted that a successful transition to a CE business model depends on the already existing operational framework where the company is established. This study's results extend knowledge-based on Gazzola et al.'s (2017) work on how a wide range of applications across industries allows sustainable consumption to drive a visible impact on the luxury industry by reconciling traditional strategic decision-making, business models, and brand management practice.

**Develop Realistic Supply Chain Forecasting**

Scholars specify that although there is not enough research available to help with the transition to sustainability, there are not enough tools that include energy recovery, life-cycle assessment and costing, design for remanufacturing, and disassembly could help luxury fashion's complex supply chain networks integrate sustainable business practices (Grant, 2020). My study results established that luxury fashion brands who want to shift to a CE business model face supply chain challenges that could impede their ability to develop realistic forecasting. Study participants confirm that it all depends on the setup of the value chain. Suppose a good value chain is designed to reintegrate and the value back into the form of procurement or production on any form of reintegration value per se. In that case, the company will be from a production perspective, always inelastic from a price perspective. This study result aligns with Kunz et al.'s (2020) findings that sustainability in the luxury fashion industry requires a reevaluation and change of the current supply chain model and the final products' production, which calls for sustainable exploitation of scarce raw material).

**Overall Cost Reduction**

Scholars denote that while the CE has several essential roles in business sustainability and cost-saving, it still has some barriers, such as meeting consumers' expectations and waste creation through governmental regulations, since it is challenging to live a life without producing any waste material (Lieder & Rashid, 2016). My study results confirmed that luxury fashion could undergo substantial cost reduction when transitioning from a linear to a CE business model.  Study participants confirmed that from a perspective of profitability, all the research they have done demonstrated that circular economies are much more profitable in the long term, mainly because companies have a more innovative way of dealing with their products or services, or goods. This study's results extend knowledge based on the work of Coste-Maniere et al. (2019) and Godart and Seong (2014) on how the CE model preserves the value of energy, labor, and materials by designing for durability, reuse, remanufacturing, and recycling to keep products, components, and materials circulating in the economy.

## Positive Brand Reputation and Image in the Global Market

Scholars indicate that consumers play a vital role in a CE's success, as their acceptance of the business model entailing to change from a linear model is critical (Alonso-Almeida et al., 2020). My study results established CE adoption could positively impact luxury fashion brands' reputation and image, encouraging sustainable consumption. Study participants confirm that from a reputational and perspective, luxury fashion leaders could build their brands' reputation by being cleaner and organic, presenting an image that their product or material has something beyond just looking good: it is a socially conscious material. Image and reputation play a significant role from a luxury goods perspective. This study result aligns with Godart and Seong's (2014) conclusions that incorporating sustainable business practices could benefit the luxury fashion industry by protecting and promoting the brands via the incorporation of social expectations, by saving costs with the decrease of waste and raw material use, by increasing financial performance, and by getting a competitive advantage within a market.

## Increased Company Value

Scholars denote sustainable production will not be successful without sustainable consumption because fashion brands cannot survive without consuming their products (Ma et al., 2019). My study results established that when luxury fashion brands modify their supply chain to increase sustainable luxury fashion consumption, there is an increase in company value as a profit-making driver. Study participants emphasized that revenue generation comes with adopting sustainable business practices by developing a process where waste products are not dumped in the environment but instead reused in the product life cycle. The active engagement of consumers in reusing materials aids corporate brand image to its consumers; this then aids in increasing corporate sales and value. This study's results extend knowledge based on the work of Winkler (2011) and Yuan et al. (2006) on how in particular, the CE business model drives companies to reduce environmental impacts, minimize resource consumption, and support the life system, allowing the same companies to gain long-term competitive advantage.

**Born-Circular and Transition to CE Firms Will Eventually Dominate Mature Markets.**

Scholars specify that there will be a regression of EBIT by over 3% ten years from now if the fashion industry does not transition to a more sustainable business model, such as adopting a CE (Vignali et al., 2020). My study results confirmed that born-CE businesses and existing businesses transitioning from a linear to a circular business would have more shares in the mature markets.  Study participants confirmed that companies working in a very strongly influenced CE environment and do not transition from a linear to a CE business model might face existing problems in the upcoming period. This study aligns with Guldmann and Huulgaard's (2020) conclusions that adopting a CE business model allows luxury fashion brands to change how they operate and create a regenerative economy.

**Champion the Business Case for Sustainability to Stakeholders.**

Academics indicate that CE implementation necessitates some disruption in technology and the existing business model and involves finding a way to convince the consumers to accept the products and deal with stakeholders who may lose out in the short run (Esposito et al., 2018). My study results confirmed that luxury fashion leaders face difficulties when presenting the sustainability case to stakeholders. It required much financial commitment at the beginning of the process. Study participants endorse that luxury fashion leaders need to rely on a partnership with external partners and consultants, which requires presenting the sustainability case to top managers and the stakeholders. The study results extend knowledge based on Karaosman et al.'s (2018) works on how a sustainable supply chain system goal is to satisfy stakeholders' expectations by incorporating social responsibility, environmental efficiency, and organizational profit improvement. This study aligns with Urbanmeister 's (2020) conclusions that stakeholders expect luxury fashion brands to reconfigure their supply chain system towards a more sustainable one by delocalizing their production operations from the low labor developing countries to those industrialized and wealthy countries where most of the consumers are located (Urbanmeister, 2020).

**Strong Financial Standing to Sustain the Transition Journey from Linear to a CE Business Model.**

Researchers suggest that all the technological shifting and adaptation that requires implementing a CE impact on products' value, and brands need to find innovative ways to maintain and even increase the product's financial value in the market (Ferasso et al., 2020). My study results confirmed that luxury fashion brands face serious financial challenges when they do not have financial solid settled to support the transition process from a linear to a CE business model. Study participants confirm that luxury fashion companies have to invest in people, in technology, develop new processes and new markets, which cost a lot of effort, time, and money. This study aligns with Grant's (2020) conclusions that incorporating sustainable business practices into the already long, complicated, and fragile existing luxury fashion's linear business model could be disruptive, thus requires a gradual shift to avoid limiting the financial impact.

**Substantial Investments in R&D.**

Scholars reveal that Adopting a CE business model implies incorporating recurrences in the end product's life cycle, starting from its design to its use, which involves innovation and substantial investment in R&D (Guldmann & Huulgaard, 2020). My study findings confirmed that one of the most critical issues that luxury fashion brands face when they are in the process of transitioning from a linear to a more sustainable business model: considerable financial investment in R&D. Study participants confirm that when transitioning to a CE, business model, luxury fashion brands need to make substantial R&D investments, which does not come cheaply especially for a well-established business model that have to implement some changes to the technologies they are using. The study results extend knowledge based on the works of Ferasso et al. (2020) on how converting to a CE requires renovating the existing business model or inventing a new one; which could be challenging for brands as it requires a profound re-evaluation of the different channels involved in the product production.

**Mitigate Market Volatility through Strong Financial Processes and Controls.**

Academics indicate that with luxury fashion brands fronting pressures from the mid-market fashion industry through decedent price difficulties with less predictability and increased variability of products, a sustainable luxury business model is crucial (Karaosman et al., 2018). My study results confirmed the market volatility challenge that luxury fashion companies face when transitioning to a CE business model. Study participants confirm that luxury fashion brands transitioning to a CE approach tend to not be, from a production perspective, inelastic from a price perspective. This study aligns with Godart and Seong's (2014) conclusions that the market volatility could be mitigated by incorporating sustainable business practices. That could protect and promote the brands via incorporating social expectations by saving costs with the decrease of waste and raw material use, increasing financial performance, and getting a competitive advantage within a market niche.

**Use Updated Technology for Recycling.**

Scholars indicate that the fashion industry could reduce the environmental footprint by considering the reuse of textiles and recycling to decrease solid waste and energy consumption (Shirvanimoghaddam et al., 2020). My study results confirmed that luxury fashion brands face technical challenges of getting updated technology to recycle when switching from a linear economy to a CE business model. Study participants confirm that there are multiple challenges in terms of technologies; for instance, firms will face dividing challenges and recycling fabrics made with several materials, which requires adequate technology. So recycling is a particular challenge for luxury brands, according to the type of technology that is available at the moment. The study results extend knowledge-based on Esposito et al. (2018) on how CE implementation necessitates some disruption in technology and the existing business model, requiring using innovated technology.

**Invest in Developing New Technology to Support the CE.**

Scholars indicate that circulatory comes with advancing new business models that could evolve from the existing ones to close the product loops from the production to its final use, thus encouraging innovation and a new mindset that would economically befit the company in the long run (Mishra et al., 2020). My study results confirmed that digital technologies are of paramount importance for the transition to a CE. If luxury fashion brands want to keep the product under control over time, they need to collect information about its usage.  Study participants confirm that luxury fashion brands challenge to invest in developing new technologies as the old existing ones will not support the CE. This study aligns with Muthu's (2018) conclusions that sustainable business models are drive-by innovation and the use of new technologies, which are proven to be profitable for companies in general through cost savings and consumer satisfaction.

**Invest in Agri-Technology Solutions.**

Scholars indicate that since the ecological impact of the luxury fashion industry is present from the manufacturing of the products to the product disposal, including the transportation and the selling, the luxury fashion industry sustainability requires a commitment of everyone involves, including the brands, the customers, the retailers, the manufacturers and even the farmers (Muthu, 2018). My study results confirmed that luxury fashion brands transitioning to a more sustainable business model need to invest in a new type of technology, agri-technology, that could support the new business model.

Study participants confirm that many luxury companies get their product from agricultural or farming processes, but that would be a form of disruption they switch from agriculture into what we call Agri-tech. This study aligns with Guldmann and Huulgaard's (2020) that Adopting a CE business model allows luxury fashion brands to change how they operate and create a regenerative economy, which requires investing in innovative technology in agriculture, for instance.

**Luxury Fashion Entrepreneurs Must Have Agile Leadership Capabilities.**

Scholars indicate that Consumers, media, and non-governmental organizations increasingly raise awareness and push luxury fashion leaders towards adopting sustainable business practices by demanding more products that have a minimum of environmental and social impact (Jacometti, 2019). My study results confirmed that luxury fashion leaders need to display agile leadership competencies to make a profitable shift from a linear to a circular economy business model in mature markets, as shifting business models could require adaptability, flexibility, and calibrated responsiveness. Study participants confirm that luxury fashion leaders should build resiliency to transition from a linear economy to a CE business model by keeping their operations in mature markets. The study results extend knowledge based on Donato et al.'s (2019) 's works on how the CE business model allows luxury fashion leaders to enhance their sustainability while maintaining their entrepreneurial vision and profitability.

**Plan Incremental Changes to Protect the Firm Financially.**

Scholars indicate that incorporating sustainable business practices into the already long, complicated, and fragile existing luxury fashion's linear business model could be disruptive, thus requires a gradual shift to avoid limiting the financial impact (Grant, 2020). My study results confirmed that luxury fashion brands could make a profitable shift from a linear to a CE business model through a planned incremental changes process to safeguard the company finances. Study participants confirm that luxury fashion brands should incrementally transition to a CE business model for a matter of their company's survival. If the change is too big and the steps way over the market acceptance, the business will go bankrupt because there will be only a small niche market. The study results extend knowledge based on Kerli and Gjerdrum's (2019) works on how a sustainable organization shows more effectiveness supported by proper ecological, social, and financial frameworks. A CE is ended with practical methodologies and models that are important for sustainable business.

**Market to Gen Y/Gen Z Customer Values on Sustainability.**

Scholars indicate that Luxury fashion brands need to find innovative ways of communicating their sustainability business model to their consumers. The reason is that many luxury fashion consumers approve of sustainability ideas and recognize the importance of protecting the environment, even though their current fashion buying choice is not aligned with the ethical consciousness (Lee et al., 2020). My study results confirmed that luxury fashion leaders face communication challenges regarding sustainable consumption among Gen Y/Z customers, who constitute one of the most significant consumer segments. Study participants confirm that as a sense of social norming, rather than luxury being exclusive in excluding a group of segmentations, there is a whole conversation about brand positioning that does not work with the Millennial generation, Z's, or anyone who was born somehow in this post-industrial world. This study aligns with Mukendi et al.'s (2020) conclusions that clear communication from luxury fashion brands would foster consumers' education and information on sustainable business practices, engaging even the more skeptical consumers.

**Broader Collaboration Architecture Between a CE Business Leader and Cross-Functional Teams.**

Scholars indicate that an implementation of a sustainable supply chain network requires not only the consideration of the three dimensions – people, planet, and profit – but also a collaboration between those involved in the system, a good flow of capital and information, and an organization of the material (Karaosman et al., 2018). My study results confirmed that luxury fashion leaders must collaborate with their cross-functional teams to transition from a linear to a CE business model. Study participants confirm that luxury fashion leaders face challenges when they do not collaborate with upper management and cross-functional teams to support the CE adoption process. The study results extend knowledge based on Chiaroni and Urbinati's (2017) works on how A sustainable business model could help luxury fashion brands reduce their environmental footprint by building collaborative relationships within the company and partners from different locations.

**Gen Y/Gen Z Customer Value Sustainable Luxury.**

Scholars indicate that as more customers are becoming aware of social and environmental issues, the fashion brands that are slow in shifting from a linear business model to a circular one will not be competitive in the market (Prostean et al., 2020). My study results confirmed that after luxury fashion brands adopt a more sustainable business model, Gen Y/Gen Z customers value and appreciate sustainable luxury as they care for the people and the planet.  Study participants confirm that empirical work shows that especially the new generation, the millennials, the generation Z's, are more pragmatic in their approach to sustainability in a way. This study aligns with Alonso-Almeida et al.'s (2020) conclusions that an increasing number of consumers are willing to pay a higher price for the perceived added value that a sustainably manufactured product has with the care for people and the planet.

**Higher-Quality Products from a Value Perspective.**

Scholars indicate that an increased social and environmental burden on luxury fashion brands that adopt sustainable business practices is crucial as it could guarantee their success in the long term by safeguarding the brand's competitiveness through a positive impact on customers' eagerness to buy the products, which could be spread out throughout the consumer's network via positive word-of-mouth (Osburg et al., 2020). My study results confirmed that after adopting a CE, the business model product has better quality when considering the product value.  Study participants confirm that products from a CE company tend to be simply of a better value proposition in strategy, which is determined by integrating the value chain activity. The study results extend knowledge based on the works of Salvador et al. (2020) on how luxury fashion brands must move away from the linear business model and take advantage of the environmental and economic benefits of integrating sustainability in their current business practice.

**Customer's Support of Local Businesses in the CE Supply Chain.**

Scholars indicate that the Covid-19 crisis has exacerbated the fashion industry leaders' challenge and forced them to rethink their environmental practices (Roberts-Islam, 2020; Sarkis et al., 2020). Researchers argued that Covid-19's consequences would substantially transform the global fashion system currently constituted, leading to a sustainable industry in the post-pandemic era (Almila, 2020). My study results confirmed the challenges luxury fashion companies face in their complex existing supply chain system and suggested that they embrace local production locally as customers will support environmental values. Study participants confirm that people would be willing to accept almost more products, almost any type of products, because they realize the scarcity of materials as they live through a COVID situation where materials are very scarce. This study aligns with Chiaroni and Urbinati's (2017) conclusions that a CE business model drives companies to become sustainable by establishing closed-loop supply chains, establishing collaborative relationships with external partners as a supplemental activity to sustainable managerial and organizational practices.

**Today's Customers Value Sustainable Consumption.**

Scholars indicate that as sustainability grows and becomes global, its requirements are challenging to the old business model and how it creates value and provides organizations with an opportunity to rethink their operations and engage differently with their stakeholders (Aagaard, 2018). My study results confirmed that unsustainable luxury fashion brands face difficulties since today's customers call for sustainable consumption in mature markets. Study participants confirm that the CE can add value to its customers from many ends. Applying the CE business model serves the overall sustainability purpose, adding value to customers who want a better life. This study aligns with Mazzeo's (2020) and Mishra et al.'s (2020) conclusions that Growing customer segments are forcing a change in the luxury fashion industry by demanding unlimited access to fresh styles and shunning ground retailers for online platforms for sustainable luxury and vintage garments and accessories.

## Limitations of the Study

Yin (2017) defined *research limitations* as the methodology circumstances that are not controllable by the researcher and influence the interpretation of the research findings. The first limitation of this qualitative, multiple case study was related to the data collection process. Out of the seven subject matter experts recruited to participate in the study, three opted for an audio interview, limiting the researcher's ability to document their facial expressions and body language (Kozinets, 2019). All participants were sent a transcript of their interviews, allowing them to review their answers and provide modifications as needed to mitigate this limitation.

Additionally, this qualitative study's limitation was the critics of the difficulty of extending the findings to a broader population with the same degree of certainty of quantitative approaches (Ochieng, 2009). This study used a multiple case approach to allow a more exhaustive exploration of the research question and ensure trustworthiness to mitigate the qualitative research limitation (Eisenhardt & Graebner, 2007). This study also used reflective notes and archival data to guarantee reliability and trustworthiness (Guion et al., 2011; Yin, 2017).

Finally, another limitation of this study was in choosing a suitable method to answer the research question. A detailed audit trail was provided, and triangulation of interview responses, historical literature, and field notes to collect accurate data to answer the research question was conducted (see Guion et al., 2011). Additionally, a comprehensive literature review was included in this study to support the research and ensure the data collected is reliable and valid to address the study's purpose.

## Recommendations

To address the documented knowledge gap among luxury fashion leaders and consistent with the qualitative paradigm, a multiple case study design (see Yin, 2017) has been utilized to collect data from a purposeful sample of CE business experts. The open nature of expert interviews allowed collecting data from experts' breadth of knowledge and experience in research fields that still need exploring (Littig & Pöchhacker, 2014). Semistructured interviews (Yin, 2017), archival data, and reflective field notes (Merriam & Tisdell, 2015) were used to drive the trustworthiness of the multiple case study findings through data triangulation (Guion et al., 2011; Halkias & Neubert, 2020). Researchers stated a lack of available practitioner-based knowledge for luxury fashion leaders to make a profitable shift to a circular business model (Mazzeo, 2020; Vignali et al., 2020). Additionally, a gap exists within the scholarly literature on how various industry sectors, including the luxury industry, can adopt a CE business model to raise sustainable luxury consumption in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020). Therefore, a better understanding of CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model may raise sustainable luxury consumption in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020).

**Recommendations for Luxury Fashion Leaders on Profitable Shift to a CE**

The CE business model comes with advancing new business models. These could evolve from the existing ones to close the product loops from the production to its final use, thus encouraging innovation and a new mindset that would benefit the company in the long run (Mishra et al., 2020). Nevertheless, the technology requires substantial financial investment from the luxury brands. Incorporating sustainable business practices into the already long, complicated, and fragile existing luxury fashion's linear business model could be disruptive, thus requires a gradual shift to avoid limiting the financial impact (Grant, 2020). Participants highlighted that luxury fashion brands could make a profitable shift from a linear to a CE business model through a planned incremental changes process to safeguard the company finances. One of the participants stressed that If the change is too big and the steps way over the market acceptance, the business may go bankrupt because there will be only a small niche market. Therefore, it is recommended that luxury fashion leaders plan for an incremental transition to a CE business model for a matter of their company's survival.

The interview data suggested that luxury fashion leaders collaborate with cross-functional teams to make a profitable shift from a linear to a CE business model. Studies indicated that an implementation of a sustainable business model requires not only the consideration of the three dimensions – people, planet, and profit – but also a collaboration between those involved in the system, a good flow of capital and information, and an organization of the material (Karaosman et al., 2018). Participants confirmed that luxury fashion leaders must collaborate with upper management and cross-functional teams to transition from a linear to a CE business model successfully. That suggests that a sustainable business model could help luxury fashion brands reduce their environmental footprint by building collaborative relationships within the company and partners from different locations (Chiaroni & Urbinati, 2017).

The data collected from the CE interviews showed that luxury fashion leaders lack knowledge of making a profitable shift from a linear to a CE business model. Agile leadership is one of the essential capabilities to have as the CE business model allows luxury fashion leaders to enhance their sustainability while maintaining their entrepreneurial vision and profitability (Donato et al., 2019). Participants emphasized that luxury fashion leaders need to display agile leadership as shifting business models could require adaptability, flexibility, and calibrated responsiveness. One of the participants mentioned that building resiliency in the supply chain is essential, and resiliency essentially means that luxury brands keep their operations going. That is even more important during pandemic situations such as the COVID-19 crisis that caused many luxury brands to lose material, which led to losing global sourcing of any material, making things difficult for manufacturing products and meeting demand capacity. Therefore, a CE business model allows luxury brands to establish a circular loop that keeps their supply chain moving, building resiliency needed.

**Recommendations for Future Research**

The themes that emerged from this study's collected data suggested that CE adoption could positively impact luxury fashion brands' reputation and image, encouraging sustainable consumption. A reputable brand's reputation and image could come from the fact that consumers are looking for sustainable consumption, or luxury fashion brands educate their consumers on the importance of sustainable consumption. Further research could provide additional case study research to validate this study's results and further explore how a CE could positively impact sustainable consumption.

Additionally, the interview data revealed that competitiveness would depend on how many resources are in the product life cycle. That confirmed that luxury fashion companies could use existing products to establish more sustainable processes in the product development lifecycle in a mature market. This finding suggests that luxury fashion brands should have enough existing product lines to maintain continuous circularity in production while maintaining their design. Further research is needed to investigate newly established luxury brands that do not have enough existing product lines and maintain the circularity in production while maintaining their design.

Finally, this study focused on CE subject matter experts' views and perceptions on how luxury fashion leaders could make a profitable shift from a linear to a CE business model. It will help advance the knowledge of this study's results compared with the views and perceptions of the luxury fashion leaders themselves on how they could make a profitable shift from a linear to a CE business model in mature markets.

Therefore, further multiple case studies focusing on luxury fashion leaders' views and perceptions are needed.

## Implications

### Implications for Positive Social Change

Positive social change can be experienced through sustainable consumption when sustainability expands the focus on economic and social dimensions and covers ecological and ethical dimensions (Hörndahl & Dervisevic, 2015; Mathews, 2012). However, there is an imbalance in two critical domains of sustainability: 1) production and 2) consumption. This research suggested that luxury fashion consumers lack sufficient and reliable information to identify sustainable products and make appropriately informed purchase decisions (Akenji, 2014).

This study also suggested that customer values on sustainable consumption greatly influence consumers' purchase behavior (Maniatis, 2016). Shifting from a linear economy model to a CE model preserves the value of energy, labor, and materials by designing for durability, reuse, remanufacturing, and recycling to keep products, components, and materials circulating in the economy (Coste-Maniere et al., 2019; Godart, & Seong, 2014). The findings of this study provided fashion industry leader with a better understanding of how a CE business model can generate a positive and broader social contribution for the environment, the employees, the local community of producers, and, as a consequence, to society at large, thus driving positive social change.

**Implications for Policy**

The luxury fashion industry is known for its complex supply chain system that usually involves more than one country or continent from producing the raw material to the end product. Nevertheless, situations such as the pandemic could easily disrupt the system and threatened the com[pany'smsurvival. According to Magnusdottir (2020), the existing global supply chain model left many luxury fashion brands high and dry during the time of COVID due to factory closures and delays in international shipping. This study suggested that to transition to a more sustainable business model, and luxury fashion brands should develop a more sustainable supply chain system. The policy implication for luxury fashion leaders is that they have readjusted their existing supply chain strategy, which is geared globally and focus on local production and holding inventory locally to ensure a better demand and supply match within the industry (Magnusdottir, 2020). Additionally, this study findings suggested that customers support the local; business supply chain in a CE business model. The implication is that the CE business model drives companies to become sustainable by establishing closed-loop supply chains, establishing collaborative relationships with external partners as a supplemental activity to sustainable managerial and organizational practices (Chiaroni & Urbinati, 2017).

**Institutional Implications**

Exploring how the luxury fashion industry can apply CE principles is significant in outlining how large businesses and their customers and suppliers can work together to develop a sustainable business model for the retail sector. To do this, retailers have to show the way by transforming the way they produce and do business. By adopting a circular business model, luxury fashion leader may influence their suppliers and sub-contractors to endorse circular transformation and influence consumer purchasing habits (Adam et al., 2017; Hazen et al., 2017). This study also contributes to a more in-depth understanding by fashion leaders of how a shift from a linear business model to a circular business model can be profitable and increase sustainable luxury fashion consumption in mature markets (Donato et al., 2020; Osburg et al., 2020).

The industrial implication of this study's findings is that luxury brand managers might develop a thoughtful and well-planned CSR strategy by pursuing and monitoring activities (perhaps via internal progress reports) that balance the CE approach with the entrepreneurial initiatives that underlie sustainability.  More precisely, managers may go the extra step of developing dashboards that assess their CSR efforts to maximize their sustainability commitment. That will contribute to attracting wealthy consumers in mature markets who desire new forms of luxury that consider sustainability (Blazquez et al., 2020; Gardetti & Muthu, 2018).

**Theoretical Implications**

The implication of this study to theory is to extend academic knowledge on how luxury fashion leaders can make a profitable shift from a linear to a circular business model in mature markets (Chiaroni & Urbinati, 2017; Donato et al., 2020). There is a dearth of studies in the scholarly literature on how various industry sectors, including the luxury industry, can adopt a CE business model to raise sustainable consumption in mature markets. Scholars recommended more empirical studies to understand companies' transition towards the new industrial paradigm of CE (Centobelli et al., 2020; Ünal et al., 2019). This study's findings created practitioner-based knowledge for luxury fashion leaders on the circular business model (Mazzeo, 2020; Vignali et al., 2020). The results of this study also contributed to the theoretical research on sustainable luxury fashion consumption as growing customer segments are forcing change in the luxury fashion industry by demanding unlimited access to fresh styles and shunning ground retailers for online platforms for sustainable luxury and vintage garments and accessories (Mazzeo, 2020; Mishra et al., 2020).

**Recommendations for Practice**

From a managerial perspective, this study's findings suggested that luxury fashion leaders need to consider sustainability a crucial area to grant the company a positive branding power. However, it may prove quintessential to the development of their business and different stakeholders. The implications of these capabilities to professional practice may help understand today's era in which all customers, including luxury ones, are increasingly sensitive to sustainability issues. Additionally, the results of this multiple case study could serve as a guideline for other large retailers to grasp how they can also influence, in their way, their partners toward achieving circularity in their business model.

Although shifting from an existing business model to a new one could be challenging, luxury fashion leaders should keep in mind the end goal and should make the transition gradually. Incorporating sustainable business practices into the already long, complicated, and fragile existing luxury fashion's linear business model could be disruptive, thus requires a gradual shift to avoid limiting the financial impact (Grant, 2020). This study's findings recommended that luxury fashion brands develop a realistic supply chain forecasting, that luxury fashion leaders develop agile leadership capabilities, and that they plan for a step-by-step process to protect their companies financially.

## Conclusion

This qualitative multiple case study purpose was to describe CE business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets. This study's primary data collection tool was semistructured interviews of a purposeful sample of CE business experts (see Yin, 2017). Semistructured interviews, archival data, and reflective field notes were used to triangulate the data. The data collected from the experts provided a valuable knowledge base to understand their views and perception on how luxury fashion leaders could make a profitable shift from a linear to a CE business model.

The in-depth analysis of the data yielded significant themes that contributed to answering the CRQ of this study and aligned with the study's conceptual framework: ) Donato et al.'s (2020) concept of sustainable luxury consumption and 2) Chiaroni and Urbinati's (2017) concept of adopting a circular business model which "relies on large quantities of easily accessible resources and energy, and as such is increasingly unfit to the reality in which it operates" (p.1). This study focused on experts' views and perceptions on how luxury fashion leaders can make a profitable shift to a CE business model. Further research focusing on luxury fashion leaders' views and perceptions on the subject matter is recommended to compare the results of this study and strengthen the knowledge base needed within the luxury fashion industry.

Understanding the drivers and implications for adopting the CE business model empowers the luxury fashion industry with the potential to influence diverse other industries and increase sustainable consumption. The world we live in is not replaceable; as individuals, leaders, companies, and industries, it is crucial to rethink how we live, operate, and reuse waste resources to preserve the environment for future generations. A small action taken to safeguard natural resources could significantly impact the environment, the people, and the overall profit, which positively impacts social change.

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# Appendix A: Recruitment Letter

Hello,

I am a doctoral student at Walden University, and I am inviting you to participate in my research study.

This study explores how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury consumption in mature markets.

The purpose of this study is to gain a greater understanding of circular economy business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model. I believe that your experience would be a generous contribution to the study.

As the findings may inform luxury fashion leaders, the study is important how a shift from a linear business model to a circular business model can be profitable and increase sustainable luxury fashion consumption in mature markets. Finally, the social change impact of this study may potentially result from better understanding by the luxury fashion leaders of how a circular economy business model can generate a positive and broader social contribution for the environment, the employees, the local community of producers, and, as a consequence, to the society at large.

If you would be interested in participating in this study, please review and return the signed consent form attached to this letter. If you would like to request additional information, you may reply to this email. Thank you in advance for your consideration.

Respectfully,
Mairy Alim (Researcher)
Ph.D. Candidate – Walden University

# Appendix B: Interview Protocol

Participant No: ______
Gender: _____
Age_______
Nationality:________
Years as an academic researcher in the circular economy subject area:________
Approximate number of published peer-reviewed papers in the circular economy subject area:__________

**Preliminary Actions:**

**Interviewer to participants**: Thank you for accepting my invitation to be interviewed in your capacity as a recognized scholar and subject matter expert in the circular economy and sustainability area. Researchers indicate a lack of available practitioner-based knowledge for luxury fashion leaders to make a profitable shift to a circular business model. The purpose of this interview is to collect circular economy business experts' views on how luxury fashion leaders can make a profitable shift from a linear to a circular business model to increase sustainable luxury fashion consumption in mature markets.

In this research, we consider that the circular economy is a system "restorative and regenerative by design and aims to keep products, components, and materials at their highest utility and value at all times," which can be reached by narrowing, slowing, and closing material and energy loops.

In this study, adopting a circular business model means switching from the linear business model that consists of a make-and-dispose process to a sustainable one that creates closed-loop supply chains through a collaborative relationship with external partners as a supplemental activity to sustainable managerial and organizational practices (Chiaroni & Urbinati, 2017).

1. How did you develop a professional interest in sustainability and the circular economy?

2. How does the circular economy business model affect a company`s competitiveness in mature markets at its early stages?

3. How can the circular economy business model add value for its customers in mature markets?

4. What issues can act as profit-making drivers to encourage luxury fashion leaders toward increasing sustainable luxury fashion consumption?

5. What kind of financial challenges would luxury fashion leaders encounter in the transition from a linear to a circular economy business model?

6. What kind of technology challenges would luxury fashion leaders encounter in the transition from a linear to a circular economy business model?

7. As a subject matter expert on the circular economy, what would be your one piece of valuable advice to luxury fashion leaders to make a profitable shift from a linear to a circular business model in mature markets?

**Debrief:**

Thank you for assisting me with this research study. I will contact you via email once the transcription from our interview is finalized. I will provide a summary of the interview, and I would like you to review the summary as a confirmation that I have captured the essence of what you have shared with me. If any discrepancies are found, I will correct the interpretations. Do you have any questions? Please contact me if you have any questions.

Thank you!