



Luxury & Sustainability: are they compatible?

The cases of the L'Oréal Groupe Luxury
Brands: Kérastase Paris and Giorgio Armani
Beauty

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Abstract

Lately, the market demand for actions linked to sustainability has been growing. The luxury market is not behind this global trend, although for many academics sustainability and luxury may not be compatible. This research explores the following research question: *how can luxury brands adopt sustainability actions, yet remain its luxury fingerprint?*

To answer the research question, I adopted a qualitative approach and conducted two case studies on luxury brands in the cosmetics industry: Kérastase Paris and Giorgio Armani Beauty. The results show that the goal can be achieved by following 5 steps: planning sustainable processes yet keeping its luxury identity; engaging employees towards sustainability in luxury brands, turning them into the brands' first ambassadors; creating and disseminating effective communication about sustainable luxury within the luxury industry; engaging clients towards the necessity of sustainability in the entire luxury industry chain; and checking on its final consumers to guarantee the successful implementation of the process.

Dissertation Title: Luxury and Sustainability: are they compatible? The cases of the L'Oréal Groupe Luxury Brands: Kérastase Paris and Giorgio Armani Beauty

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Sumário

Ultimamente, a demanda do mercado por ações ligadas à sustentabilidade tem sido crescente. E o mercado de luxo não fica atrás desta tendência mundial, embora para muitos acadêmicos sustentabilidade e luxo podem não ser compatíveis. Esta pesquisa explora a seguinte pergunta-problema: como as marcas de luxo podem adotar ações de sustentabilidade, mas ainda assim continuar com sua identidade de luxo?

Para responder à pergunta-problema, adotei uma abordagem qualitativa e conduzi dois estudos de caso sobre marcas de luxo na indústria cosmética: Kérastase Paris e Giorgio Armani Beauty. Os resultados mostram que o objetivo pode ser alcançado seguindo 5 passos: planejando processos sustentáveis, mas mantendo sua identidade de luxo; engajando os funcionários para a sustentabilidade nas marcas de luxo, transformando-os nos primeiros embaixadores das marcas; criando e disseminando uma comunicação efetiva sobre o luxo sustentável dentro da indústria do luxo; engajando os clientes para a necessidade de sustentabilidade em toda a cadeia da indústria do luxo; e verificando seus consumidores finais para garantir a implementação bem sucedida do processo.

Título da dissertação: Luxo e Sustentabilidade: são conceitos compatíveis? Os casos das marcas de luxo do Grupo L'Oréal: Kérastase Paris e Giorgio Armani Beauty

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“Quando você quer alguma coisa, todo o universo conspira para que você realize o seu desejo.”

Paulo Coelho

“Tudo vale a pena, quando a alma não é pequena.”

Fernando Pessoa

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1 INTRODUCTION

Can luxury and sustainability be considered as compatible in today's capitalist economy? As Kapferer (2010, p.42) says, "In terms of practical issues: to what extent can luxury brands incorporate sustainability demands and yet remain luxury?". Kapferer (2010, p. 40) goes even more deep, when he says, "Can luxury brands be at the leading edge of sustainability?"

Throughout time, sustainability has become an omnipresent problem for luxury brands (Torres & Gardetti, 2015). Kapferer (2010, p. 42) defends that luxury can be defined as: "the highest quality and creativity without constraint".

However, new researches on this field are arising, proving that sustainable luxury is more than an ethical trend, but a live necessity for firms (Kunz et al., 2020; Depeyre et al., 2018). These same researches defend that there is a common ground between luxury and sustainability, with beneficial outputs coming from the conversion of both concepts (Kunz et al., 2020). In other words, we can say that sustainability is a driver for value creation also in luxury brands (Kapferer & Michaut, 2015).

However, there is a paradox when it comes to sustainable luxury brands (Jin & Park, 2017). Whereas luxury brands focus on concepts like durability, exclusivity, use of high-quality materials, unique craftsmanship, among others (Wang, et al., 2021), it also can be seen and perceived as superficial (Kunz, May, & Schmidt, 2020).

Luxury brands need to scrutinize sustainability in their practices urgently, otherwise consumers will increasingly buy from alternative brands, which integrates sustainability in their practices (Kunz, May, & Schmidt, 2020).

A survey taken in 2018, from Bloomberg showed that 85% of luxury sales growth were due to people between 18 and 35 years old (Bloomberg, 2018).

The world's new generations are way more concerned about sustainability in their lives than previous generations; in fact, they have been strong consumers when purchasing luxury goods, due to their generational necessity of "purchasing power" (Giovannini, Xu, & Thomas, 2015).

That's why the demand of sustainable practices is getting bigger every year. Previously, luxury brands did not accept the idea of being sustainable, because its consumers were not demanding them to be. The fact of being exclusive, having a high price, an awesome quality and scarcity would pay-off the non-sustainable actions (Caïs, 2021).

Luxury brands should take a bold movement and embrace sustainability in all their core processes. This is not an easy movement once the change must be seen and perceived by all consumers while the brand must continue to be perceived as luxurious (Kapferer, 2010).

Companies from different sectors and industries around the world are already changing their mindsets when it comes to implementing sustainability actions within their operation. In that sense, according to Balouras & Schiano (2021), companies in the G200 – Two Hundred Economies (“an ideal comprehensive Group that includes all the countries and economies”) (Riccardi, 2022), have already started to make commitments on sustainability matters, such as waste, water, energy usage, among others. Still according to Balouras & Schiano (2021), firms are already implementing some measures, namely:

- Appointing a sustainability lead: 58% of G200 firms have created a high-hierarchy positions to lead the sustainability programs.
- Establishing Greenhouse Gas emissions (CHG) reduction targets: most of G200 firms are concerned with the GHG emissions, and 55% of them have already established a target date for eliminate or partially eliminate the GHG emissions of their activities.
- Setting carbon neutral dates: with a date set, usually, by 2050, 23% of the firms have already agreed in reaching net-zero carbon emissions.

Moreover, leading firms are operationalizing new sustainability initiatives, so they can accelerate progress on waste, water and energy in its products or services offerings. Decision-makers from these firms say that Corporate Social Responsibility (CSR) and sustainability are important risk categories (Balaouras & Schiano, 2021). About 33% of purchase influencers at firms with at least 1,000 employees and annual revenue of \$10 billion or more said that implementing CSR or sustainability is a high or critical business priority (Balaouras & Schiano, 2021).

Results from a McKinsey Global Survey show that firms which can generate value from their sustainability actions are more likely than others to make sustainability a strategic priority, as well as make sustainability an element of their corporate culture. The survey showed that these companies are more ready than the others to engage customers and business partners in their sustainability programs. From the value-creating group that the survey focused on, 22% said that their companies realized modest or significant value from sustainability in the past five years. Another interesting output from McKinsey’s survey is that, compared with the proportion of companies that say sustainability agendas have already created value, 40% say they expect to generate modest or significant value in the next five years, by implementing sustainability programs within their firms. All in all, as well as the survey itself suggest, in

order to firms be able to create value with sustainability, they might need to understand which practices are most closely related with positive financial impact (McKinsey & Company, 2021).

With all these information gathered we can start to understand what is the current gap that motivates this research. On behalf of some academics, there are still some debate when it comes to adopt sustainability measures in the luxury industry, once there is the belief that this will not be possible to happen due to their paradoxical concepts (Kapferer & Michaut, 2015). In that sense, Kunz et al., (2020) defend that there is still a big lack of communication on sustainability actions from luxury firms to their consumers as well as Kapferer & Michaut (2020) and Jin & Park (2017) argue that luxury consumers don't perceive sustainability as a criterion for purchases. Following this line of reasoning, Achabou & Dekhili (2013) think that there are several differences between luxury and sustainable development, turning these concepts incompatible: whereas luxury can be related to personal pleasure, superficiality and ostentation, SD brings altruism, sobriety, moderation and ethics. There are other academics that defend that associating luxury and SD also can raise environmental and social sustainability concerns (Heredia-Colaço & do Vale, 2018). Moreover, Johnstone & Tan (2015) considered that there is an attitude-behavior gap called the "green gap", in which consumers' actions towards sustainability can't be seen in their consumption *modus operandi* (Eastman, Iyer, & Dekhili, 2021). With that said, in this research I will clarify if and how can luxury and sustainable development coexist, respecting the three sustainability dimensions: economic, social, and environmental.

With all this absorbed content, and understanding the need of sustainability in all industries, being led by the luxury industry, here comes the research question that will guide this thesis: *how can luxury brands adopt sustainability actions, yet remain its luxury fingerprint?*

To answer the research question, I used a qualitative method, conducting a multiple case study on two luxury brands, Kérastase Paris and Giorgio Armani Beauty, belonging to the same company, the L'Oreal Groupe. They are brands which think of sustainability as a real necessity to today's world consuming demands and as a *sine qua non* condition to lead its operations for the present and, mainly, for the future.

This work will have the following outline: Literature Review, where I will review previous studies on the topic of sustainability in the luxury industry; Methodology, where I will justify the methodological choices about the research design and data collection I made and show how I have collected and analyzed my data; Empirical Setting, where I will present in depth my cases; Findings, where I will show my discoveries from the collected data; Discussion,

where I will compare my findings with the existence literature, and Conclusion, where I will give the final insights outcomed from this research.

2 LITERATURE REVIEW

This chapter demonstrates that sustainability actions are getting increasingly demanded within the luxury industry. Despite some authors think that sustainability and luxury are antagonistic concepts, thus, unable to coexist, this chapter will show that, in fact, luxury needs sustainability and vice-versa. We will see that there is a harmonic relation between both concepts, in which one depends on the other to evolve. The luxury market, as a trend-setter, needs to foster sustainability in its brands so it gets more in line with the society's current demands. On the other hand, sustainability needs luxury to gain more and more visibility of its importance in today's companies' actions. The biggest challenge that I have identified and assigned by me as gap, is how can luxury firms adhere to this new fast-growing market's necessity without losing its luxury identity.

In a first moment, I will talk about the luxury sector and some possible definitions of what luxury means. Then, I will start approaching sustainability as a general concept and try to understand its possible tensions, given that is a broad topic that involves different stakeholders. Following, we will understand the main point of this paper: the (current) necessary relation and possible contradictions that exists between luxury and sustainable development. I will go deeper in the relation between the luxury sector and sustainability, talking more in depth about the harmonic relation existing between them. Finally, I reflect on how luxury firms can become more environmentally sustainable without losing its luxury fingerprint.

2.1 Defining luxury and understanding the sector

It is important to explain a bit more in depth the sector that it will be studied in this paper and how the goods belonging to it are perceived by its specific consumers. It's not so easy to assertively define luxury based in previous literature, since a common definition of what constitutes luxury is lacking (Davies, Lee, & Ahonkhai, 2012). However, the term luxury can also be defined according to the consumer's lifestyle. For instance, consumers' behaviors can be impacted by the popularity and availability rates present in their social surroundings and if they have other things than these, this can be considered as luxury (Hauck & Stanforth, 2007). In that sense, Twitchell, (2003, p. 43) calls luxury as "things you have that I think you shouldn't have".

A possible definition of luxury can be the one according to Kapferer (2010, p. 42), “conceptually, luxury is a fashionable word used by many companies and brands who are not in fact implementing a luxury strategy, but a fashion strategy or a premium strategy”.

Luxury brands’ consumers are not buying only an outstanding product – in quality and design – but also exclusivity, which means that the consumers know that the brand is limiting demand. This demand limitation can be seen in the high prices paid, which gives the clients the “right” to be associated with selected co-consumers (Kapferer J.-N. , 2015).

According to Kapferer (2015, p. 2), “managing a luxury brand does not mean running after the maximum number of customers but rather the right ones associated with their own status. Goods are chosen when one knows who else is selecting and wearing them.” In fact, luxury consumers are niched and seem to belong to an exclusive group.

What differs luxury brands from brands belonging to other industries is the fact that they create value with exquisite and unique offerings, delivering quality and durability excellence (Kapferer, 2010) in their products and services.

Luxury consumers belong to a selective group of the population and, according to Hennigs et al., (2013), there are four dimensions that drive consumers’ luxury purchasing: financial, functional, individual, and social. In Error! Reference source not found. below, we may find how the authors organize these dimensions, all converging to the same goal: the sustainability excellence.

One data that can explain the importance of the luxury sector to the world’s economy is that is one of the most important and growing sectors of the global economy, with sales reaching more than US\$300 billion in 2020. (Bain & Company, 2017, as cited in Romaniuk & Huang, 2020).

According to Hudders (2012, as cited in Romaniuk & Huang, 2020), luxury brands are only luxurious because they are perceived as it by its consumers. On the other hand, when compared with other industries, e.g automobile or food industries, luxury has a relatively small share of the economy. Even so, as time pass by, luxury brands are attracting more and more attention, becoming extremely visible in all kind of medias: from streets billboards to economic newspapers. (Kapferer & Michaut, 2015).

In addition, according to Kapfer & Michaut (2015, p. 04): “The world of luxury brands attracts attention as they are the highest symbols of the consumption society which now dominates the world.”.

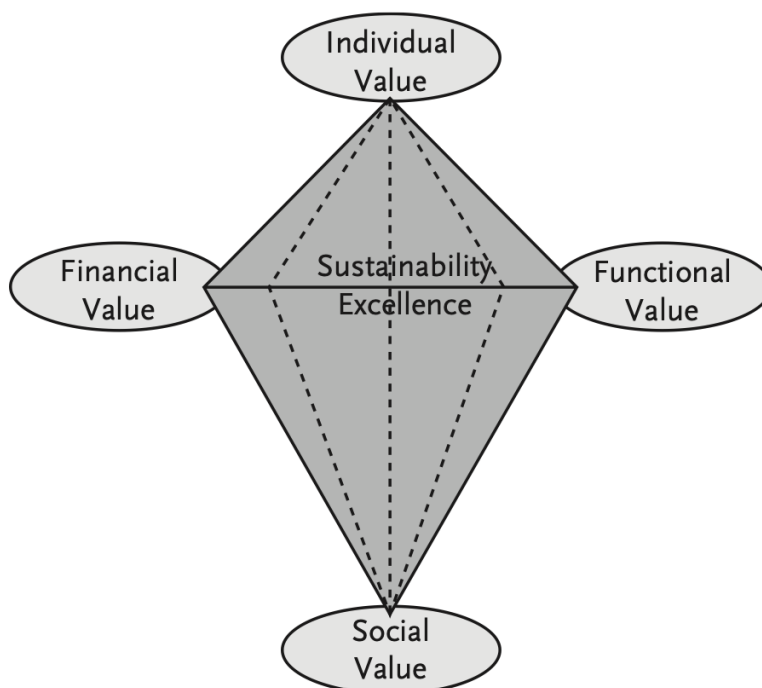


Figure 1 - Sustainability Diamond. Source: Hennigs, Wiedmann and Klarmann, p. 29, 2013.

2.2 Sustainability and its tensions

Defining sustainability is not as simple as it looks; the term has multiple definitions and interpretations (Bom et al., 2019), but the most accepted and disseminated one comes from the 1987 report “Our Common Future”: “The idea of sustainability raised from the concept of sustainable development defined as the development that is able to meet the current needs of the population without compromising future generations to meet their own needs (Labuschagne, Brent, & van Erck, 2005).

According to Purvis, Mao, & Robinson (2019), sustainability is encompassed in a broader term called of Sustainable Development (SD), which has its definition originated from three pillars:

- Environmental, in which consists in consuming renewable resources that doesn't exceed the rate at which they are renewed.
- Social, in which consists in meeting individual needs, such as those for health and well-being.
- Economic, in which consists in a financial feasibility of development, moving towards social and environmental sustainability.

In order to achieve SD, companies must comply with these three principles on their products, practices, and policies (Bansal, 2005). In that sense, optimal decisions rely on taking these pillars into account (Labuschagne, Brent, & van Erck, 2005).

In fact, those pillars are important to be met, even though it might exist some tensions between them, depending on the case (Trumpp et al., 2015; Labuschagne, Brent, & van Erck, 2005). The history can prove that the economic pillar can bring some problems when it comes to co-exist with the other two pillars (Purvis, Mao, & Robinson, 2019; Labuschagne, Brent, & van Erck, 2005).

Throughout history and including nowadays – on some occasions – there can be strong critics on what concerns economic growth. This growth must shift from a focus on means to a focus on ends and end up considering social problems and basic needs (Purvis, Mao, & Robinson, 2019). There must be a big attention to how the economic growth will be handled, otherwise it can – and did already in many situations throughout history – not only fail as a solution to social difficulties, but also be the cause of them (Purvis, Mao, & Robinson, 2019).

From the consumers' perspectives, it is recognized that a more sustainable performance is becoming more demanded by consumers (Chou, 2014) in all sectors and industries (Sourvinou & Filimonau, 2017), what takes us to believe that is a matter of time that sustainability will be seen as a pre-requisite for all companies and not more a competitive advantage (Li & Leonas, 2019; Silvestre & Țircă, 2019; Kim et al., 2012).

2.3 Sustainable development and luxury: a harmonic, yet paradoxical relationship

According to the possible definitions of luxury already discussed above, Kapferer (2010) defends that SD needs luxury and vice-versa. According to him, a luxury strategy that aims customers with a higher power of purchase is the best way to introduce new environmental-friendly behaviors and products in the market. This, because, according to Kapferer (2010), the luxury industry dictates trends. The industries that produce for the mass-market, do nothing more than reproduce the luxury models, however, effectively, with less quality, once the great demand is for popular prices. In this way, they are obliged to follow the same standards that meet the demand of luxury consumers, thus adopting sustainability measures. (Kapferer, 2010). That means that, according to Kapferer (2010), luxury can lead the way to a change in the market's notion of quality, going from a selfish individual concept to an environmental-friendly concept. According to Wang et al., (2021), it is able to conclude that the value perception of luxury relies on a strong social dimension, fostered by personal

experience and pleasure and that luxury goods are valued by their high quality and functionality, having a link with overall price perception.

Therefore, the concept of luxury should be redefined, encompassing the social, economic, and ecological categories, and should be more associated to altruism rather than power (Kapferer, 2010). Following this reasoning, luxury brands are focusing on consumers not only concerned with their preferences and wealth, but also with the planet's health (Kapferer, 2010). Luxury brands must understand that sustainability can help them to become stronger, keeping their premium prices, considering that there will be cost savings, which leads to a greater financial performance (Bernardi, Cantù, & Cedr, 2022).

According to Kapferer (2010), SD is not only an altruistic opportunity for luxury, but also a business imperative. For instance, celebrities and digital influencers know that they are opinions-makers and that they should act responsibly towards their followers. This makes with that they demonstrate ethical concerns and defend or communicate brands that act in this sense. That's why many luxury companies have already added in the top of their agenda SD measures and many of them have already successfully implemented ethical and sustainability standards, establishing the concept of ethical-sustainable luxury (Osburg, Davies, Yoganathan, & McLeay, 2021).

The fact is that SD and luxury converge: both focus on rarity and beauty. Kapferer (2010), defends that luxury can be considered as the essence of sustainability, since it is obsessed by the sustainability of its resources (it value is based on its objective rarity). This is explained by the economic principle of price and demand (Good, 2019), in which high prices limit the demand, turning to be the best way to protect the future of the resources and, consequently, of the sector itself (Kapferer, 2010). In fact, luxury and sustainability ideals are historically aligned, once both are associated with high-end manufactured products, with respect for tradition (De Barnier, Falcy, & Valette-Florence, 2012). Luxury and SD also share some common concerns, such as focus on scarcity and beauty, which shows a great interest in preserving them, making luxury impossible, conceptually, not to contribute to the planet (Kapferer & Bastien, *Luxe Oblige*, 2012).

2.4 Sustainability in the luxury industry

We are living in an era characterized by many companies that are engaged in Corporate Social Responsibility and sustainability measures (Davies, Lee, & Ahonkhai, 2012). Including the luxury brands. The luxury sector already started to recognize that they have to encourage

sustainability in sourcing, manufacturing and marketing (Athwal et al., 2019), for instance. Kapferer (2010) elucidates the main concern relating luxury and sustainability by asking: to what extent can luxury brands adopt sustainability actions and still remain luxurious? This question can be motivated by the following way of thinking: “are the values brought by sustainability sufficient to motivate consumers to purchase luxury products when these luxury products or brands highlight their sustainable features and practices? If luxury consumption values do not motivate consumers, or, even worse, demotivate them from purchasing sustainable luxury products, we can then conclude that taking on sustainability will harm the luxury status of products.” (Wang, et al., 2021, p. 326). This is the central idea that motivates this present paper.

According to Kapferer (2014), because of some meanings of luxury, this term symbolizes social inequality and, therefore, sustainability would be incompatible with the concept of luxury. However, today’s consumers are increasingly demanding sustainable supply chain and luxury products.

According to Kapferer (2010), in terms of sustainability, the luxury segment has come under a huge scrutiny. For this reason, SD has been increasingly prioritized in the market, especially in luxury firms, which are considered to be trend-setters. SD, according to Kapferer (2010), it aims to make a prudent use of the world’s resources.

There are several reports and articles that discuss SD measures in the luxury industry, mainly the divergence in terms of values that exist between them (Achabou & Dekhili, *Luxury and sustainable development: Is there a match?*, 2013). Whereas luxury is usually associated to personal pleasure, superficiality and ostentation, SD is related to altruism, sobriety, moderation, and ethics (Widloecher, 2010 as cited in Achabou & Dekhili, 2013).

However, these concepts are compatible (Lochard & Murat, 2011; Janssen et al., 2014; Kapferer, 2010). In that sense, SD improves brand differentiation and corporate image (Kim et al., 2012), mainly due to the fact that luxury consumers are being increasingly more aware of social and environmental issues (AFP, 2008 as cited in Achabou & Dekhili, 2013). Luxury companies and brands can less and less rely exclusively on their names and its products’ high-end quality or rarity; they must, increasingly and urgently, include human and environmental values in it, so they can establish a long-last relationship with consumers (Kim & Ko, 2012), considering that these same consumers demand an active positioning from the brands in relation to sustainability awareness measures. This brings us to what Lochard and Murat (2011) defend: consumers of luxury products’ perception of quality has gained another level and expanded to the social and environmental dimensions.

With that said, another question arises: why would a sector which, according to Bain & Company (2019), had, in 2019, an increasing total revenue amount of €1.268 trillion, be concerned about sustainable development? Kapferer (2010) explains by stating that the sector is highly visible, with public people constantly putting the sector in spotlight, such as high-profile consumers, VIPs, and celebrities.

Therefore, Jones & Jones (2018) conclude that sustainability and luxury are not naturally linked, since they have different definitions, applications, and discursive practices.

However, as showed so far in this research, both terms have increasingly merged, converging the meaning of both (Jones & Jones, 2018).

All in all, for elucidative purposes, Jones & Jones (2018) summarised in Error! Reference source not found. the common touchpoints and differences that encompass sustainability and luxury. One can see that there are several dimensions which are part of both universes, such as materiality and quality.

Some concrete examples can already be seen in the market, such as the luxury Italian brand Gucci, which supports UNICEF by producing, every year, a line of accessories, from which 25% of profits goes to the association. Another example is the luxury French brand Hermès, which adopted recycling measures within their operations (Achabou & Dekhili, *Luxury and sustainable development: Is there a match?*, 2013) and the French group L'Oréal, which is a company committed with implementing sustainability from design to consumer use and extremely concerned with eco-responsible actions and its activities' impacts in the environment (Batra, Parameswar, & Dhir, 2019), not to mention projects carried out in needy countries and societies.

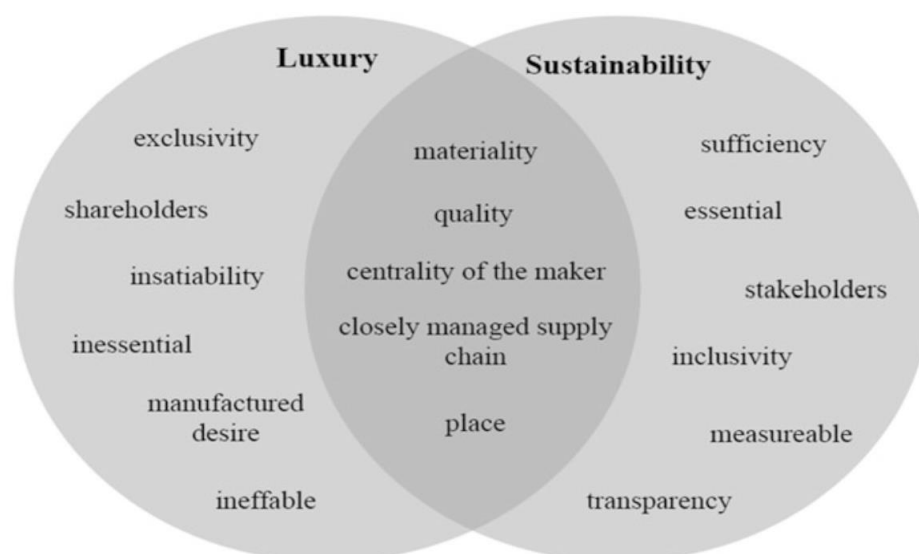


Figure 2 - Intersecting discursive domains of luxury and sustainability (source: Jones & Jones, 2018, p. 24)

2.5 Luxury firms implementing sustainability

So far, it was shown that, despite many streams consider luxury and sustainability as incompatible, we could see that there is also who defends that they seek the same objectives and has many factors in common, making it possible the coexistence in the same industry or brand. More than that, in fact: it is vital for firms that they coexist (Kunz et al., 2020). We know that there is an urgent demand for companies to become more environmental-friendly (Bernardi, Cantù, & Cedr, 2022), and that consumers are increasingly concerned about the future of the planet and feeling as they are also responsible for it (Lochard & Murat, 2011). In order to be more sustainable, firms must adopt environmental-sustainability measures and change their operational standards (Labuschagne, Brent, & van Erck, 2005).

Therefore, according to Nguyen et al., (2020); Daddi et al., (2011); Morioka & Carvalho, (2016), a firm that seeks implementing sustainability and SD in their agendas, must follow the Plan-Do-Check-Act (PDCA) methodology, which is described as a method of control and continuous improvement of processes and products (Nguyen et al., 2020). It consists of a 4-steps process: plan, do, act, and check. For the purpose of luxury brands implement sustainability measures in their operations, this process would be planning which and how will be the sustainability strategy, implementing what was planned, checking the whole process of implementation, monitoring the key performance indicators previously set, and acting in any unplanned issue that might come up during the process.

The planning phase consists of four stages, which are problem definition and clarification, data collection, data analysis, and action plan (Nguyen et al., 2020). In **Figure 3**, we may see with more details the stages, methods and techniques, and goals that are present in this phase.

PDCA	FlowStep	Stage	Methods and Techniques	Goal
Plan	1	Problem definition and clarification	Interviews Questionnaires Analyze quality report	Clearly defining problems of current packaging methods Define customers' requirements
	2	Data collection	Check sheet Observation record	Investigating the current situation, obstacles, specific characteristics of the problem
	3	Analysis	Brainstorming 5 Whys technique Ishikawa diagram	Discovering all possible causes, then figuring out root causes
	4	Action plan	Brainstorming 5W2H technique Gantt chart	Generating and evaluating potential countermeasures to eliminate root causes Conceiving detail plan with clearly time bounds to block root causes

Figure 3 - Adapted. PDCA Planning Phase. Source: Nguyen et al., 2020, p. 05

Regarding the other phases, Morioka & Carvalho (2016), defined a framework that describes how can firms implement sustainability actions in their operations. It is consisted by three main levels: principles for corporate sustainability, sustainable business elements and context factors. These levels are used as a social performance measurement inside the framework proposed by the authors, which can be seen in Error! Reference source not found..

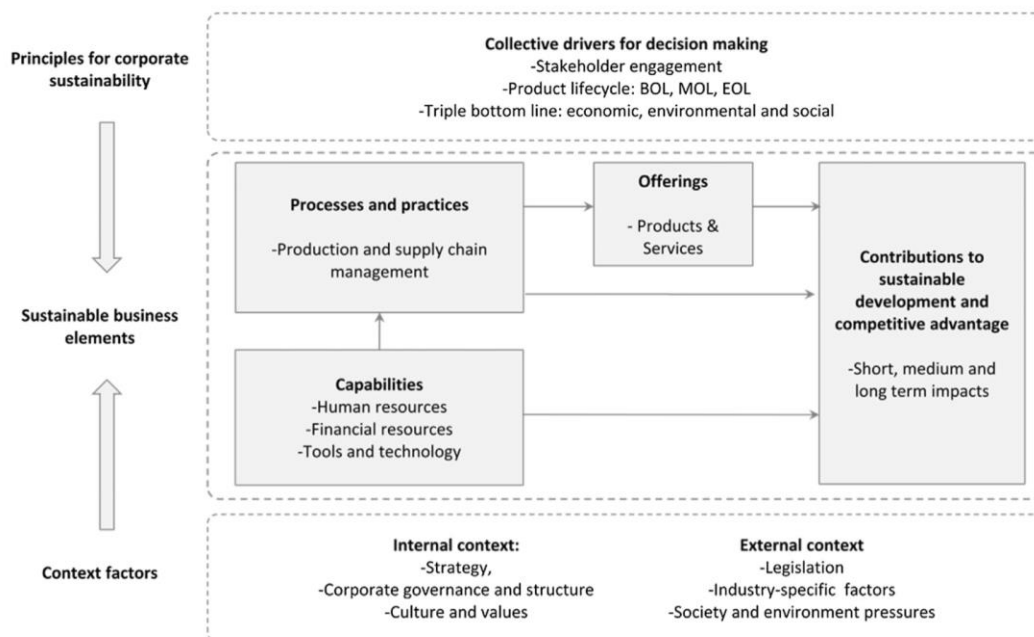


Figure 4 - Proposed framework for integrating sustainability performance into business. Source: Morioka & Carvalho, 2016, p. 140

The first level talks about the decision-making process on corporate sustainability, which relies on stakeholder engagement, product lifecycle and the triple bottom line (Bansal, 2005; Bom et al., 2019; Epstein, Buhovac, & Yuthas, 2015). When it comes to the business elements that will support the implementation process of sustainability, we can see that there

are several areas involved, such as supply chain management, human resources, finance, technology, and products. The relation between the whole stakeholder chain (internal and external) will be fundamental to contribute to a sustainable development and competitive advantage (Trumpp et al., 2015; Balkau & Sonnemann, 2010). Both of the levels described can only be operationalized by the context factors, which consists of internal and external factors, such as corporate governance and company's culture, and legislation and society demands, respectively (Morioka & Carvalho, 2016).

Finally, the last two phases of the PDCA cycle, checking and acting, can done by checking if the countermeasures were effective, analyzing and comparing results with the initial goals and standardizing the improvements, by sharing learnings and achievement, so further steps can be planned in a more assertive way (Nguyen et al., 2020). Also, it is important to firms to communicate their changes and achievements with society through sustainability reports (Morioka & Carvalho, 2016; Hahn & Kühnen, 2013).

2.6 Discussion: the gap

Considering the scenario that SD must be followed by all industries – what makes the luxury industry not an exception – how can luxury brands adopt sustainability actions, yet remain its luxury fingerprint? This is the question that guided my research since I found a lack of research under this topic. Many authors defend and describe the importance of implementing SD in luxury firms, but they don't explicitly say how these firms can continue to be perceived as luxury. Kapferer, (2010, p. 44) discuss this question, by also promoting other counterquestions, such as: “Should all fashion luxury brands adopt a minimalist look, thus losing all capacity to differentiate and surprise? (...) At the retail level, should Cartier cut the air conditioning in their luxury boutiques or stop wrapping their watches in a nice gift packet?”.

Therefore, I will show how can luxury brands, namely Kérastase Paris and Giorgio Armani Beauty, become more sustainable without losing the perception of luxury brands towards its consumers.

3 METHODOLOGY

In this chapter, I will talk about my research design and how were the processes for the collection of data.

3.1 The research design

I chose to do an exploratory research by implementing a qualitative approach, since I wanted to explain a phenomena yet not known or not studied in a determined context (Lando, 2020), being able to explore, discover and understand a key phenomenon (Creswell & Poth, 2016).

As the result of a qualitative research, I aimed to understand and describe in depth the actual human interactions, meanings and processes that constitute real-life organizational settings (Robert, 2004).

To make it possible to understand how luxury brands can adopt sustainability actions yet remain luxury, I decided to conduct a multiple case study to understand the research gap identified by me. My study will rely on two luxury cosmetic brands: Kérastase Paris and Giorgio Armani Beauty. These brands were chosen by me for two main reasons: the first one is because I am a current employee at L'Oréal, working in the Marketing sector of Kérastase Paris Portugal, which would give me a great opportunity to find myself deeply inserted the business of the brands, being able to conduct research with outstanding and solid results. The second reason is due to the fact that both brands are incredibly perceived by the market as premium brands, mainly due to its exquisite packages and high prices. On the other hand, they are brands which are strongly investing in sustainability, not only in communication, but also in action towards their own products. This brought to my attention the following thought: is it possible to these brands to change what they are most recognized by (their products) and still their luxury reputation remains untouched?

3.2 Data collection

I collected primary and secondary data, which included semi-structured interviews, articles, internal documents, participant observation, online media, reports, among some others.

3.2.1 PRIMARY DATA

My primary data collection was based on two different sources of data: the semi-structured interviews and my own participant-observation during my daily routines working at the company.

During the interviews, I talked to people from different areas, so I could get a broader notion of how sustainability is being managed within the luxury scenarios that encompasses the brands. With that, I listened to different point of views of the businesses and had a more solid gathering of data. Moreover, I picked employees from specific areas that I considered substantial to give me the best insights to answer my research question.

First, I approached the Marketing Area, then I talked with someone from the Commercial Area and, finally, with someone from the Sustainability Committee. It is important to have different perspectives regarding the same topic, to be able to gather solid and interrelated outputs. It is also important to point out that L'Oréal Portugal and L'Oréal Spain had merged in 2022 and the results from the interviews also contained relevant aspects impacted by the recent cluster.

For Kérastase I interviewed Joana Cal, Brand Activation and Cluster Transition Manager at the Professional Products Division, Patrícia da Costa, Key Account Manager at the Professional Products Division Portugal, Valentine Malivel, Multi-Brand Sustainability Project Manager, Aitana Soria, Product Manager at Kérastase Spain and Inês Neves, Brand Activation Manager at Kérastase Portugal.

For Giorgio Armani Beauty, I interviewed Luis Oliveira, Brand Activation Manager at Armani Beauty Portugal and Cristina Sobrinho, Management Marketing Trainee at Armani Beauty.

I used my own participant-observations, in which I could gather information mainly from meetings, events and internal presentations. Since I am an employee at the L'Oréal Groupe, I was able to have access to several information and build a solid knowledge of what the company, and more in depth, Kérastase Paris are aiming at in terms of sustainability.

Reported in the Appendices are **Table 1**, **Table 3** and **Table 5**, which contain a summary of all the primary data collected. Despite I am conducting a two-case study in this research, since both brands belong to the same company, L'Oréal Groupe, I have decided to divide the data in three tables: one for L'Oréal Groupe, one for Kérastase and one for Giorgio Armani Beauty.

3.2.2 SECONDARY DATA

The secondary data was based in information from different sources that I considered relevant to the studied topic and that could give me a solid foundation to answer my research question. I took information from articles in relevant journals, internal information, such as documents, reports, presentations and newsletters, media articles, online videos and interviews, company's and brands' websites and disclosed financial reports. The secondary data can be found in **Table 2, Table 4, Table 6** in the appendices.

My data collection was guided by the data triangulation principle. triangulation can be described as a strategy within qualitative research to test the convergence of information from different sources (Carter et al., 2014).

3.3 Data analysis

To analyze the data, I used a 3-step process. As the first step, from all the data I gathered (interviews, online media, internal documents, etc.), I chose sentences or statements that would be relevant in answering my research question and impactful to this research. I named these statements of **1st Order Concepts**. All the sentences were carefully chosen and always compared to each other. Since I was dealing with a large amount and different types of data, at a first moment, I found several sentences – a number that would be impracticable to work with. Thus, as I progressed in this step, according to Goia, Corley & Hamilton (2012), I started to seek similarities and differences within the statements, what gave me the chance to reduce the total numbers of 1st Order Statements. **In total, I found fifty-three 1st Order Concepts.**

Following the process, I started the second step of it, which consisted in creating groups out of the initial chosen statements. In this step, I clustered all the 1st Order Concepts into more generic themes and/or ideas, according to similarities in their meanings. I tried to have between four and five concepts per group, so I could have a more concise and focused output. I labeled these new clusters of **2nd Order Themes**. This brought me a **total of six 2nd Order Themes.**

Finally, I went to the third step. Here, I had to aggregate the 2nd Order Themes into new and fewer dimensions, that would be not only the output of my analysis, but also key ideas in which I would base myself to respond to my research question. Once more, in order to do this aggregation, I was always comparing my results with my research question. With this, I could

know if my results were being plausible with what I was searching for. At the end, I was able to find **three Aggregate Dimensions: “Internal Mobilization”, “Market Demand” and “Fostering Sustainability”**. In **Table 7**, in the Appendices, one may find all the 1st Order Concepts, the 2nd Order Themes and the Aggregate Dimensions. In **Figure 5**, one may find the coding tree created by me, following the steps mentioned above.

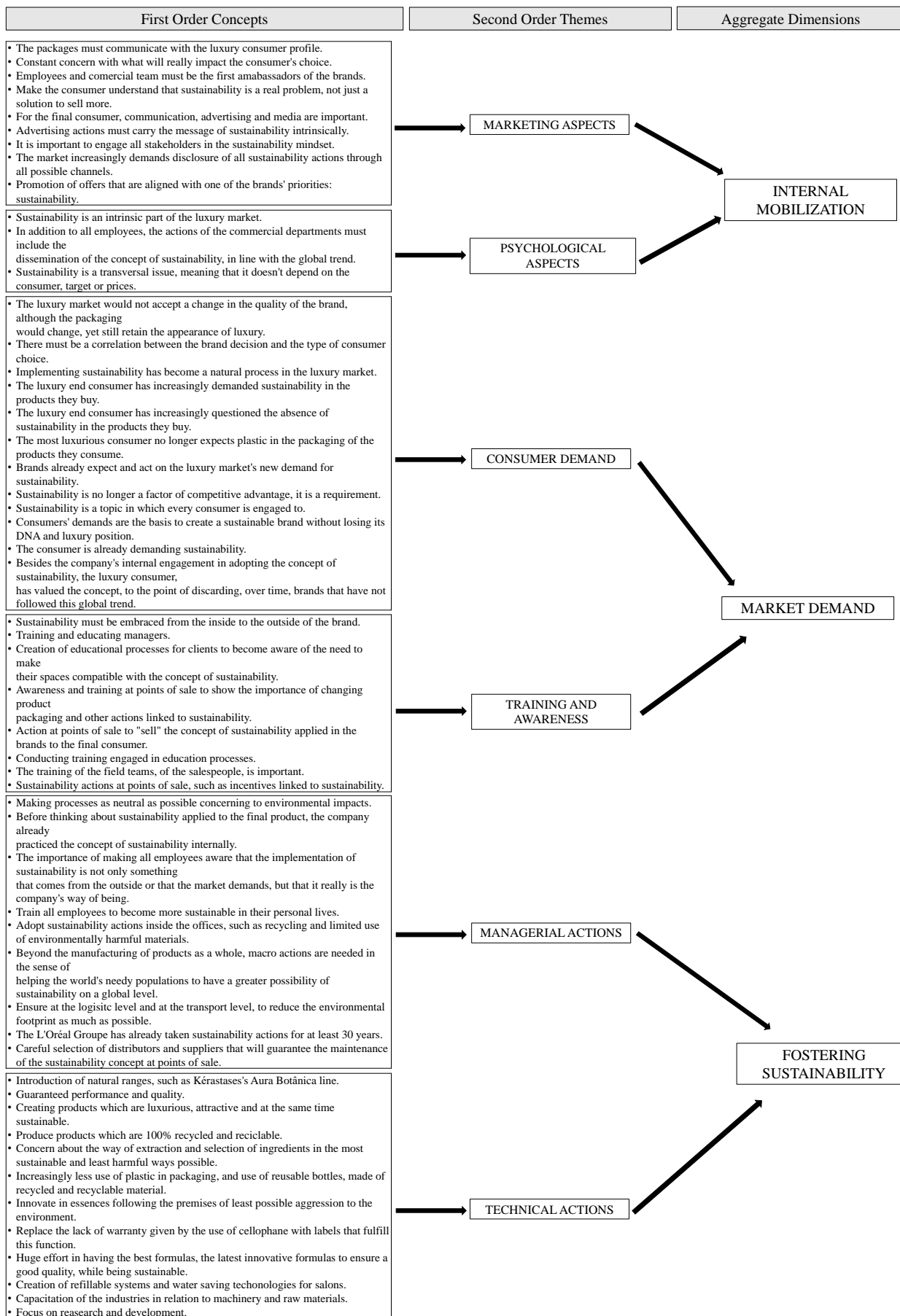


Figure 5 – Data Analysis Coding tree. Source: the author.

4 EMPIRICAL SETTING

In this chapter, I will talk about the cosmetic luxury industry, presenting some relevant numbers and data. Also, I will present in depth the cases I chose and all the contextual elements used to understand the findings and their significance to my research question. As already stated throughout this paper, I chose two cases to study, both from the same company: L'Oréal Groupe. The first one is the luxury professional hair care brand Kérastase Paris, from the Professional Products Division and the second one is the fragrances, skin care and make-up brand Giorgio Armani Beauty, from Armani Group but with all its world-wide operations controlled by L'Oréal Groupe, under the L'Oréal Luxe Division, under a license agreement. Both brands are implementing sustainability actions within their operations yet remaining luxurious.

4.1 THE COSMETIC LUXURY INDUSTRY AND ITS RECENT RESULTS

The cosmetic luxury industry is an increasingly growing market. Since 2012, the worldwide revenue of this industry has grown year by year, with an exception for 2020 (mainly driven by the COVID-19 pandemic). In 2021, the industry amounted US\$ 25.8 billion in revenue, exceeding the results of 2019 and 2018, with, US\$ 25.8 and US\$ 23.4 billion, respectively (Statista, 2022).

In **Figure 6**, according to data taken from the statistical website Statista, it is possible to see all the concrete revenue numbers from 2012 to 2021. Also, it is shown projections for 2022 to 2025 (always making a path of growth).

In addition to that, the worldwide revenue for prestigious cosmetics and fragrances brands in 2021 reached over US\$ 57.0 billion. Japan was the country with the biggest share, amounting over US\$ 13.6 billion, while the United States of America generated a bit more than US\$ 13.0 billion. In terms of the European continent, France, United Kingdom, and Germany were the main countries in terms of revenue, achieving, respectively US\$ 3.4 billion, US\$ 2.7 billion, and US\$ 2.6 billion (Statista Research Department, 2022).

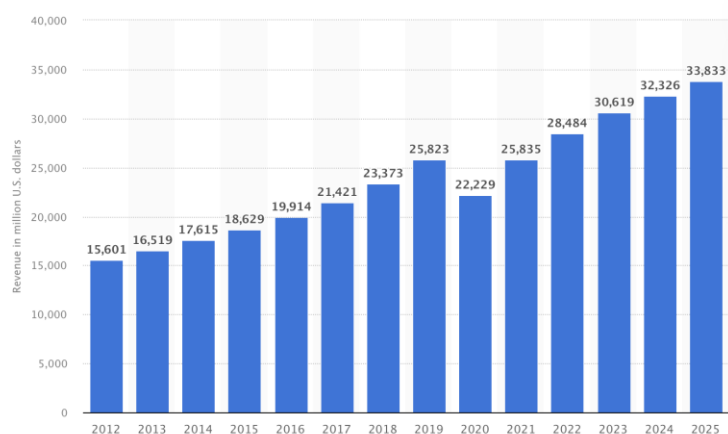


Figure 6 - Revenue of the luxury cosmetics market worldwide from 2012 to 2025. Source: Statista, 2022

4.2 KÉRASTASE PARIS

Kérastase is the luxury professional haircare brand of L'Oréal Groupe. Today, it is the number one brand in this segment. The brand base itself in three main pillars: Care, Professional and Luxury. It is a pioneer brand, with over 55 years of reputation on delivering hair and scalp cares through exclusive products and personalized in-salon treatments. Kérastase is a professional haircare brand, which means that, with exception to their own website in some countries, the brand is not a business-to-consumer (B2C) seller. This means that Kérastase has a very specific client portfolio: around 70% are hair salons and the remaining 30% are some perfumeries and online stores, such as El Corte Inglés and Perfumes & Companhia.

That is why, within the brand's universe, there is a big difference between clients and consumers. Clients are considered the business-to-business (B2B) buyers. On the other hand, consumers are the final consumers, the people that buy the brand's products and services through the authorized clients.

Starting in 1964, Kérastase invented the care for hair, trespassing the basic hair routine from that time, which was basically about hygiene. In that sense, the brand received the seal of being pioneer in its products. Kérastase invented the first care shampoo, the first care for scalp, the first care mask and the first care serum. It is a luxury professional haircare brand, being present in the best salons of the world, providing high-end, luxurious, and personalized haircare products and services. The care-first philosophy adopted by Kérastase goes beyond its products. They aim to deliver care to all hair types, all women, and the planet (Kérastase Paris, 2022).

From 2019 onwards, Kérastase has focused in launching haircare ranges that would embrace all types of women and all types of hairs. Some examples are Curl Manifesto, the exclusive range for all types of curly hairs and Chroma Absolu, the range focused on all types of colored hairs, including the boldest ones (pink, orange, blue, etc.). The brand has been increasingly trying to fill in market gaps in which minorities are included.

Since 2013, Kérastase has made important progress towards sustainability, by integrating the topic in its formulas, packaging, and merchandising materials. In that sense, Kérastase continuously improve the impact of its products on their entire lifecycle and seek for impacting positively the behaviors of its stakeholders. Following a sustainability path, the brand tries to find new ways to minimize waste and influence its customers in making better choices to the planet (Kérastase, 2022). Kérastase wants to prove that luxury and sustainability can not only co-exist in the same product and/or process but also be synonyms: luxury is sustainability and vice-versa. Rosa Carriço, Kérastase's Global President states: "We continue to pioneer the future of hair care while driving positive change and striving to build a more diverse, inclusive, and responsible future" (Kérastase, 2022).

To elucidate all the sustainability actions that Kérastase has taken recently, some examples can be mentioned, such as:

- The commitment to more sustainable packaging: the idea is to reduce packaging to its limit, making use of less virgin materials and more recycled, recyclable, and refillable systems. In that sense, Kérastase launched the refillable shampoo bottles for 5 ranges, a new delivery system, which keeps the luxurious strand of the brand and becomes more sustainable (Kérastase, 2022). In **Figure 7** and **Figure 8**, in the Appendices, I show examples of this new sustainable system, which contains the refillable bottle and refill pouch, being both of them produced with minimum impacts to the planet.
- The quest for 100% recycled plastic: the aim is to stop using virgin plastic and in turn, use recycled plastic wherever plastic is still used. Since 2021, all its retail shampoo bottles are made with 95% recycled plastic and are recyclable. Only in 2021, due to this initiative, the brand saved in overall 520 tons of virgin plastic. In the following years, the goal is to replicate to all other formats as well, not only retail. By 2025, Kérastase aims to have 60% of all their products' packaging made out of recycled material. By 2030, they want to reach 100% biobased or recycled plastic in all the products (Kérastase, 2022).
- The commitment to more sustainable formulas: Kérastase is integrating more sustainable raw materials and exploring green sciences to make use of the power of

nature but without extinguishing its resources. The idea is to put together, in the same process creation, highest product efficacy and sustainable processes. Bio-based¹ ingredients and biotechnology sourced actives are some examples. Currently, more than 60% of the ingredients used in the products' formulas are bio-based. By 2030, the brand wants to use green science technologies in all the products (Kérastase, 2022).

- The commitment in producing sustainably: this commitment is divided in two parts. The first one is to achieve carbon neutrality. Since 2015, Kérastase's factory in Burgos, Spain, is the first factory which achieved carbon neutrality through energy efficiency and 100% renewable energy. The second part of this commitment is the reduction of water consumption. Also in Burgos, since 2017, the factory has been a "waterloop factory". In other words, 100% of water used in all production processes is recycled and reused. With this initiative, in 2020, Burgos factory saved 32 million liters of water (Kérastase, 2022).

Therefore, Kérastase is a brand concerned not only with luxury haircare products and services but also with planet care and social care.

4.3 GIORGIO ARMANI BEAUTY

Armani Group was founded in 1975 by Sir Giorgio Armani, an iconic Italian fashion designer. Its products are focused on attracting refined luxury customers. L'Oréal's and Armani's histories started to walk together in 1988 when a partnership was made. The French group would start to develop luxury fragrances, skin care and make-up products within the group's Luxe Division (L'Oréal Finance, 2018). Both brands have a production and distribution licensed agreement when it comes to all fragrances, skincare, and make-up products, that belongs to Giorgio Armani Beauty. Recently, in 2018, L'Oréal Groupe and Armani Group renew their partnership until 2050. This decision was based, mainly, on the outstanding results of revenue generation that the beauty categories are achieving: over € 1.0 billion every year (L'Oréal Finance, 2018). Therefore, Giorgio Armani Beauty is my second case study in this work.

Giorgio Armani Beauty also has specific nomenclature when it comes to define clients from consumers. Clients are those belonging to the B2B strategy: companies that will sell its products to final consumers. And consumers are the people that buy the products from these authorized distributors, following the B2C strategy.

Sustainability is a topic that is present in the Group's code of ethics, thus, also in Giorgio Armani Beauty's. It is a vital topic to the brand, which combines fashion and luxury with a strong system of values. These values are based in "a system capable of enduring through time, with respect for all the resources that the Group draws on and with the awareness that the future of generations to come depends on the choice of today" (Armani Group, 2022).

Giorgio Armani Beauty conducts important initiatives aiming the care of the planet. The brand has important commitments towards this cause. They are, according to Giorgio Armani Beauty (2022):

- **Products Designed to Last:** Giorgio Armani Beauty includes in their products' portfolio refillable and rechargeable formats, turning them into durable goods. The brand also uses recycled materials in their packaging and favors the use of natural and sustainably sourced ingredients. Moreover, there is a continuous plan to reduce the environmental impact at all stages of the products' life cycle: from conception to in-store exhibition and recycling.
- **Combating Climate Change:** Giorgio Armani Beauty contributes to the sustainable transformation of the planet by focusing its efforts on carbon emissions. Aside from the already achieved concrete results, Giorgio Armani Beauty set an action plan, in which the brand commits itself in reducing its carbon footprint by more than 25% to achieve carbon neutrality for all its products by 2025.
- **Acqua for Life:** this is a global commitment in which the brand helps poor communities around the world with the supply of clean and safe water. This commitment is already supported by €7.7 millions of investment and has already impacted 195.000 people among some of the world's most impoverished communities.
- **In-Stores Presence:** Giorgio Armani Beauty seeks also to talk sustainability in their points of sales. They use certified paper and cardboard that comes from sustainably managed forests (FSC/PEFC), recycled materials and minimized energy consumption.

On top of that, the brand launched a new feminine fragrance, My Way, in which encompasses some of the items mentioned above. My Way reflects the commitments that Giorgio Armani Beauty has with the planet's natural environment protection. The idea is to use eco-friendly concepts as well as reduce the carbon emissions. The project goes from the use of consciously sourced ingredients and forest preservation to its refillable bottles. When it comes to the refill

system, a good number of degrading materials is saved, such as less 64% of plastic, less 55% of glass and less 32% of carton. In **Figure 9**, in the Appendices, we can see an example of the refillable system practiced by the My Way franchise (Armani Beauty, 2022).

Furthermore, in partnership with the recycling company TerraCycle, the brand also gives the opportunity to customers to return their empty bottles in the stores. This initiative has been already recognized and certified by important organisms in the fields of human and environmental health.

All in all, Giorgio Armani Beauty follows the sustainability footprint that Armani Group increasingly fosters in its operations and actions, clearly seeking to be a transformational agent in the future of the planet.

5 FINDINGS

In this chapter, I will answer the gap identified and mentioned before, finding a way for which luxury brands can implement sustainability measures in their business models, without losing their luxury perceptions towards its consumers. With that, I will be able to respond to my research question “*how can luxury brands adopt sustainability actions yet remain its luxury fingerprint?*”.

The results show that the cases studied follow a 5-step process to be more sustainable in their business operations without losing their luxury DNA. The chapter is structured around these 5 steps: planning sustainable processes yet keeping its luxury identity; engaging employees towards sustainability in luxury brands, turning them into the brands’ first ambassadors; creating and disseminating effective communication about sustainable luxury within the luxury industry, engaging clients towards the necessity of sustainability in the entire luxury industry chain, and checking on its final consumers, to guarantee the successful implementation of the process. Each of the “phases” just mentioned are extremely important to reaching the goal of inserting sustainability into the luxury industry without losing the brands’ luxury status and perception. With this information, we will find out how Kérastase and Armani Beauty continue to thrive with annual economic growth, while strong and increasingly implementing sustainability actions.

5.1 1st step: planning sustainable processes yet keeping its luxury identity

The results show that each brand starts with the same action: planning sustainable processes yet keeping its luxury identity. This first step consists in an internal planning of how the brands could implement sustainability actions without losing the clients’ and consumers’ perception of luxury. This includes a huge taskforce with some important points to consider.

All starts with planning production processes that must be the most neutral possible. In other words, processes that are the less harmful to the environment possible. Parallel to that, the brands analyze the market and the upcoming demands of consumers, in order to be the most accurate possible. However, all actions must be taken always focusing on luxury aspects, including communications to consumers and, mainly, packages. It is important also to always have a correlation between the brands’ decisions and the choice of the consumer.

The products quality and performance must keep the same, otherwise, regardless sustainability measures, the consumers will not buy the brands’ products and, consequently,

the clients will not be willing to have the brand's products to sell in their point of sales (online and offline).

Above all, this step is crucial when it comes to a correct implementation of the concept of sustainability, following its three pillars (Environmental, Social and Economic). There is a possible contradiction when talking about luxury and economic growth. It is more difficult for luxury brands to be recognized as brands that care about the pillars of sustainability. In this sense, it was detected and addressed during the research process that there must be a lot of attention and prudence during the planning ideation that involves sustainability measures. When it comes to economic growth, there is a lot of room for factors that do not respect the pillars of sustainability to be considered. Great attention needs to be paid to this point, as the threshold is tenuous. Therefore, initial planning is of utmost importance in this aspect of sustainability, in order to ensure that all its theoretical pillars are respected.

All in all, this first step consists in a big internal brainstorming, always thinking what will truly impact the consumers' choice and how the best implementation of actions can be done. Therefore, Kérastase and Giorgio Armani Beauty are brands that already implemented this process in their attempt of becoming sustainable luxury brands. In this first step, it is important to consider several aspects before moving forward to the next step, and one of these aspects are the packages, which must, basically, send two main messages to its consumers: that they are luxury and sustainable. Moreover, it is necessary, as stated above, that all employees and suppliers must become aware of the importance of sustainability in their lives, in the entire supply chain and in the market, not making the luxury industry an exception. Both, Kérastase and Giorgio Armani Beauty, are brands that took all these aspects under consideration during their first step of the process implemented by them.

Therefore, I share below some quotations that cover these aspects just mentioned, which are considered vital in the origination of the process of turning a luxury brand into a sustainable luxury brand.

Joana Cal, from Kérastase, points out the importance of having a perfect balance between a package being luxury and sustainable at the same time.

“The packages must communicate with the luxury consumer. It is crucial to all the involved parts in the planning process to have a constant concern with what will really impact the consumers' choice. We want to be assertive, continue to have our luxury image to our consumers and clients while we try to be the most assertive possible to the environment as well.”

Interview of Joana Cal, Brand Activation Director at the Professional Products Division Portugal & Iberian Cluster Transition Director.

Inês Neves, from Kérastase, mentioned the significance of employees to embrace sustainability in their lives, understanding that being sustainable is vital, regardless of the industry you work at.

“The importance of making all employees aware that the implementation of sustainability is not only something that comes from the outside or that the market demands, but that it really is the company’s way of being. Employees must understand that nowadays sustainability is a mandatory requirement, regardless the type of the brand. For the luxury sector is even more vital, since we are trend-setters in the market. It is important to adopt sustainability actions inside the offices, such as recycling and limited use of environmentally harmful materials.”

Interview of Inês Neves, Brand Activation Manager at Kérastase Portugal.

Luis Oliveira, from Giorgio Armani Beauty, brought to my attention the concern the brand has with the logistic structure at a sustainability level, since the selection of ingredients to the eligibility of suppliers.

“We ensure at the logistic and transport levels, to reduce the environmental footprint as much as possible and the careful selection of distributors and suppliers that will guarantee the maintenance of the sustainability concept at points of sale.”

Interview of Luis Oliveira, Brand Activation Manager at Armani Beauty Portugal.

This takes us to the second step, which the main characters are the employees.

5.2 2nd step: engaging employees towards sustainability in luxury brands, turning them into the brands’ first ambassadors

The results show that each brand starts with the same action: engaging employees towards sustainability in luxury brands, turning them into the brands’ first ambassadors. This step is all about the employees. They must be the brands’ first ambassadors. The process of implementing sustainability in luxury brands will be much more difficult and nothing smooth

if the employees don't genuinely embrace sustainability ideas within work and their personal lives. They must all be with the same mindset heading to the same direction in terms of sustainability.

In order to facilitate this process, the brands must foster sustainability actions within the workplace, so that the employees can start to practice sustainability actions inside the company and push other employees to do the same, whenever this is not happening. Kérastase and Giorgio Armani Beauty think that the changing process starts from the inside; internally; that the change of mindset of the brands starts from the inside. The maximum number of employees possible must have the same thinking, otherwise they will not be able to transmit their message in the best way possible. Also, in that sense, it is important that employees understand that luxury needs to be sustainable without exception: sustainability is luxury and vice-versa. All stakeholders must be impacted, and for that, the employees must genuinely believe in the message they want to transmit.

With that, the ideal process starts to be created, without skipping any phase. The aim of both brands is to show their consumers and clients that they are not only following the trend of sustainability, but really adopting and understanding sustainability as a real and important factor to secure the planet's life in the future.

Both Kérastase and Giorgio Armani Beauty are actively implementing this mindset into their employees by sustainability seminars and training sessions, out-door activities related to sustainability, such as removing garbage from beaches, sending internal newsletter about the importance of sustainability in the workplace, promoting products launches events with important sustainability messages, among others.

Luis Oliveira defends that employees must be heading to the same direction, with the same mindset regarding sustainability in the brand.

“If our own employees don't have the right mindset, how will we communicate this as a brand? We need to stay united with the same mindset and we need to believe in what we are transmitting. We need to be hands-on and practice sustainability. We have the mission, as employees, to make with that the consumers understand that sustainability is a real problem, not just a solution to sell more and that we, as a luxury brand, must prove that sustainability is a luxury brand's concern as well. (...) If we go all together, I am sure that the results and impacts will be outstanding, just as how is currently happening in Armani Beauty”

Interview of Luis Oliveira, Brand Activation Manager at Giorgio Armani Beauty Portugal.

Valentine Malivel, from L'Oréal, states that the process of a brand becoming sustainable is originated internally first, through trainings programs and the creation of internal KPIs that can control the sustainability level within the brands' operations.

“Sustainability must be embraced from the inside to the outside of the brand. It is necessary to have internal training and education programs to managers, so they can lead their teams under this pillar”. The training of the salespeople is important. (...) There will be guidelines on how to make a salon sustainable or a L'Oréal Academy sustainable. All products that are innovated must have a lower environmental score than the version before. No matter the brands.”

Interview of Valentine Malivel, Multi-Brand Sustainability Project Manager in France.

The third step will talk about how the brands can transform this true concern into messages to their external stakeholders, through communication activities.

5.3 3rd step: creating and disseminating effective communication about sustainable luxury within the luxury industry

The results show that each brand starts with the same action: creating and disseminating effective communication about sustainable luxury within the luxury industry. This step is about doing an effective communication. There are mainly two types of communication: internal and external. And both of them must be effective and assertive. On one hand, the internal communication goes in the direction of the second step mentioned before, to foster employees to embrace sustainability in their lives and to truly agree that luxury needs sustainability and vice-versa. On the other hand, the external communication goes in the direction of, mainly, suppliers, clients and consumers.

Mainly for the consumer, communication, advertising, and media are important. When it comes to sustainability in luxury brands, it is important to communicate, in a luxury way, the positive impact that sustainability actions are having in the planet.

The responsible sectors for creating all kinds of external communications, in the cases of Giorgio Armani Beauty and Kérastase is the Marketing and Communication teams. They must understand that the way they communicate sustainability within luxury brands is vital in the process of acceptance and understanding of clients and consumers. In that sense, all kind of advertising actions must carry the message of sustainability intrinsically.

Another important point to pay attention to is the channels in which these communications are going to be transmitted. External stakeholders are increasingly demanding communication of all sustainability actions through all possible channels, and for each channel, assertive adaptations must be done.

Clients and consumers, mainly, must understand, through the right communication, that the concept of sustainability, from now on, will be intrinsic to luxury brands. Also, they must acknowledge that the lack of sustainability, as time passes by, can be a leading factor to a drop in revenues, since it is increasingly becoming more demanded.

Still within the external communication, there are the informal communications. Those are the ones in which employees tell a friend, who tells his family, and so on. This is what we call as network marketing. This means that everyone in the brands must participate in the communication process, not mattering the sector they work in. The right communication must be done in the right way and timing.

Finally, there are an important stakeholder group who has a big responsibility in being part of the communication process: the commercial team. In Kérastase they are called Business Partners or Key Account Managers. In Giorgio Armani Beauty, they are the Beauty Advisors or Key Account Managers. They are the ones responsible for visiting all points of sales, not only to sell the brands' products, but also to assure that the strict guidelines of the brands are being followed and that the right communication is being done.

Both brands, Kérastase and Giorgio Armani Beauty, are continuously implementing strong communication actions, both at internal and external levels. We can see that all type of communication from the brands are always mentioning a new sustainability aspect, whether it is something on the packaging, or in the extraction of ingredients, for example. In addition, both brands are heavily investing in refillable bottles systems and in communications that highlight the benefits of these systems to the planet. Furthermore, both brands work with incentives related to sustainability in their points of sale, in which, in a general way, the more clients practice sustainability in their stores, more prizes and discounts they get.

Aitana Soria, from Kérastase, thinks that promoting incentives in points of sale are very important to help the dissemination of sustainability from the brand to its clients, being an important touchpoint when it comes to communication.

“In addition to all employees, the actions of the commercial departments must include the dissemination of the concept of sustainability, in line with the global trend. One of the actions that we are currently applying is the promotion of offers that are aligned

with sustainability, like promoting sustainability actions at points of sale, such as incentives related to sustainability.”

Interview of Aitana Soria, Product Manager at Kérastase Spain.

Patrícia da Costa, from L’Oréal, defends that communication is all about target and timing, proving that all types of communication must be carefully planned before.

“Communication is vital. A wrong communication, based in wrong information will fail and can imply in irreparable damages to the image of a brand. On the other hand, a good communication, with the right target and timing, can bring extraordinary results, sometimes even greater than what was initially planned.”

Interview of Patrícia da Costa, Key Account Manager at the Professional Products Division Portugal.

This will take us to the fourth step of this chain: the engagement of clients.

5.4 4th step: engaging clients towards the necessity of sustainability in the entire luxury industry chain

The results show that each brand starts with the same action: engaging clients towards the necessity of sustainability in the entire luxury industry chain. This step goes towards the clients, who are responsible for the biggest share of the brands’ sales. The effectiveness of the first three steps is not fully achieved if the fourth step is not well performed along with them. This step is crucial in the consumers’ perception of what the brands are wanting to communicate. Just like the employees, the clients must also be the brands ambassadors.

Talking specifically about sustainability, they need to follow the brands’ communication and also communicate sustainability as part of luxury. In that sense, is the brands’ duty to make with their clients understand the true importance of sustainability to the planet and as part of the luxury world as well. The communication stream can’t be broken in this part of the process since it’s a crucial phase of it. It is the phase where the consumers will not only buy the products, but mainly try them and feel in their own body the benefits of it.

That’s why some actions are needed to be done by the brands. In that regard, both Kérastase and Giorgio Armani Beauty do constant follow-ups with clients in order to guarantee that the sustainability issue is being approached during the sales process to the consumers. The

consumers must know, when buying a product, about the impact which that specific product has to the planet, in comparison with older versions of it, such as the intentional change in its packaging, which has a reduced use of plastic and are recycled and recyclable.

The goal here is to convince clients to adopt sustainability actions in their point of sales, as part of the selling process, creating educational programs for clients to become more aware of the importance of having their workplaces compatible with sustainability.

In that context, Kérastase has an interesting program in Portugal. It is about recycling products used during in-salon services and changing them for new products for free. This is a good initiative, not only to foster them to buy more Kérastase's products, but mainly to implement sustainability actions in their own salons and making the consumers aware of this, by recommending them to use these specific products in their in-salon treatments and making it clear the purpose of it. Also, in partnership with the Swiss tech-company Gjosa, Kérastase launched a water-saving technology, that can be used in-salon or at-home, being able to reduce water usage by 60% (L'Oréal Groupe, 2021).

In addition, both brands are thinking of starting to provide trainings to clients about the importance of implementing sustainability action in their stores and/or salons. In the case of Giorgio Armani Beauty, this process could be a bit more complex, considering that their clients are big retailers from the beauty industry, and could be more difficult to change a mindset of a company with 150 stores all over Portugal, for example in the case of Perfumes & Companhia. However, as big companies, these clients are also following the market trend and, thus, fostering sustainability and demanding more sustainable-friendly products to sell to its consumers. As the brands launch more and more sustainable products, they feel the necessity for the right message to be transmitted, not only from them to their clients, but from their clients to their consumers. Kérastase and Giorgio Armani Beauty have been improving the ways in which they communicate and educate on the topic regarding their clients, whether they are large retailers or small hair salons.

Cristina Sobrinho, from Giorgio Armani Beauty, says that the brand is seeking to implement more educational programs for clients, so they can be aligned with the brand's goal of transmitting the sustainability message that are increasingly present in their products.

“We want to implement educational processes for clients to become aware of the need to make their spaces the most sustainable possible, by providing trainings to show the importance of actions linked to sustainability. (...) Our clients and Beauty Advisors must "sell" the concept of sustainability applied in the brands to the final consumer.”

Interview of Cristina Sobrinho, Management Marketing Trainee at Giorgio Armani Beauty.

Aitana Soria reminds of some actions that Kérastase took in order to become more sustainable, while remaining luxury, such as the remarkable refillable bottles and the water saving technology.

“Some measures are the creation of refillable systems and water saving technologies. Huge effort in having the best formulas and the latest innovative formulas to ensure a luxury quality, while being sustainable.”

Interview of Aitana Soria, Product Manager at Kérastase Spain.

5.5 5th step: checking on its final consumers to guarantee the successful implementation of the process

The results show that each brand starts with the same action: checking on its final consumers to guarantee the successful implementation of the process. This final step is about checking if there has been any change in the consumers' perception of the luxury identity of the brands. This is the wrapping up of the whole process and it is vital to continuously improve the process in all its steps, whenever they are done again.

Some important touchpoints must be considered through a periodical satisfaction survey with consumers to know how they are perceiving the brands. The points that must be approached are the perception towards:

1. Sustainability in a general scope. If consumers are demanding more sustainable products and if they are preferring to buy from brands which are more engaged with the topic.
2. Sustainability as part of luxury. If consumers are already visualizing that luxury must be sustainable, no matter what.
3. The brands keeping the exact image of luxury. If consumers are still perceiving Giorgio Armani Beauty and Kérastase as luxury brands, even though with some changes in packaging and materials that are less harmful to the planet.

With that deep analysis done, the brands must act accordingly to the surveys' results and use it as basis to improve the new process to come. All in all, this step is where the verification of

all the steps before is done and where the brands know what they have to improve and why, turning the “how” much more visible.

Both brands already have done this analysis sometime since they started to become sustainable luxury brands, being able to act more assertively each time. And the answers have been positive for both, showing that luxury consumers are increasingly demanding more sustainability aspects rather than luxury, mainly among the youngest, changing the way luxury is perceived (Chang, Taecharungroj, & Kapasuwan, 2022; Statista, 2021).

Aligned with that, Aitana Soria pointed out the new sustainability demands that luxury consumers are having.

“The luxury-end consumer has increasingly demanded sustainability in the products they buy (...) and has increasingly questioned the absence of sustainability in the products they buy.”

Interview of Aitana Soria, Product Manager at Kérastase Spain.

Cristina Sobrinho mentioned the expectations of their consumers towards the brand, such as the reduced use of plastic in products’ packages, and the meaning of sustainability nowadays in the market, increasingly becoming a *sine-qua-non* condition.

“Consumers are not expecting plastic in the packaging anymore and the brands are already expecting and acting on the luxury market’s new demand for sustainability. Sustainability is no longer a competitive advantage; it is increasingly more a requirement. (...) Consumers’ demands are the basis to create a brand which sustainability is reflected in its products and communications, without losing its DNA and luxury position.”

Interview of Cristina Sobrinho, Management Marketing Trainee at Giorgio Armani Beauty.

6 DISCUSSION

The findings are mainly in accordance with literature reviewed in this work. Companies are increasingly being concerned about sustainability in their operations and processes, becoming a requirement in all kinds of markets and industries. In the luxury industry, this is not different. We could see that consumers are demanding, over the past years, more sustainable actions and products from the brands and lacking this can be a leading factor to orient their choices.

I could notice that despite some literatures approach the topic of sustainability in luxury brands as a delicate topic lately and increasingly, this topic is being approached in a real concern by brands and companies. There is indeed an extra effort to be made by luxury brands to adopt sustainability actions, but this is being increasingly facilitated, mainly by the consumer's understanding that sustainability is no longer something they just hear about. It is something that must be practiced and, more than that, strongly demanded.

It has never been easier for luxury brands to change their business plans, radically modifying their production methods and their final products' packaging. The market is more open than ever to these changes, as long as quality is maintained. One specific touchpoint between sustainability and luxury is the fact that both focus on durability, which is one of the most important factors to consumers when it comes to buying a product (Kapferer, 2010).

In my findings I could detect a clear process that is followed by both brands with the intent of implementing sustainability with the least number of mistakes possible, guaranteeing that the brands will keep their luxury images towards its consumers. As a matter of fact, even though the market is widely open and willing to receive luxury products which are also sustainable or at least helps in fostering sustainability, there are still internal concerns in that regard. That's why they are so worried in designing an almost flawless process.

In that sense, I could identify a five-step process that can answer my research question in detail: initial considerations and planning based on consumers' and society demands, engaging employees to advocate to the brands, having an effective and assertive communication, engaging clients (B2B) to keep on pushing sustainability actions alongside with the brand and, finally, monitoring final consumers' responses. This process consists of using the opportunity given by the market, enabled by consumers, for the brands to become agents of the change on the planet, through the rational use of natural resources (Kapferer 2010), reducing the use of environmentally harmful raw materials (Lo & Ha-Brookshire,

2018) and the use of plastic in final products packaging while also maintaining their level of luxury towards their consumers (Hudders 2012).

Also, the process identified in my findings also goes in the direction of the consumer and its increasing demand for sustainable products in luxury brands (Kapferer, 2010), proving that sustainability and luxury have several common touchpoints (Jones & Jones, 2018), and that these communalities tend to grow over the years.

It is true also that, some times, there are some tensions between some theoretical aspects of sustainability when it comes to the luxury industry: the co-existence of the three sustainability pillars (Purvis, Mao, & Robinson, 2019). I found that both brands studied comply with the three pillars of sustainability – Environmental, Social and Economic – although there might be some tensions between them.

These pillars are crucial when approaching multinationals and, mainly, luxury brands. Luxury brands are, many times, linked unconsciously by the society to economic growth. And many times, people tend to think that these brands don't care about how they are achieving this growth. Luxury brands already started to have this concern, and they tend to make this bigger over the years. Therefore, it is important to have the exact growth plan considered in the first step of the process I identified, so that this sustainability pillar can co-exist with the other two, avoiding tensions.

Therefore, both brands studied in this work are extremely successful luxury brands (Romaniuk & Huang, 2020). They make it clear where do they stand when it comes to sustainability and planet preservation and social impacts. Notwithstanding, they are also luxury brands proving that sustainability is not more a matter of choice, but a matter of survival. They keep on proving, throughout actions, that luxury can and must coexist with sustainability. They make it intelligible that there is no more space for unconscious use of natural resources or any kind of actions that will jeopardize the future of the planet. Actions that are not only in the products' creation processes, but also in the creation of several projects that are used to engage society in creating together a better future for the planet.

7 CONCLUSION

By doing this research, with an exploratory emphasis, I could answer my research question, being able to understand how luxury brands can adopt sustainability actions, still remaining luxurious. The results brought in this paper were able to be acquainted by studying two successful luxury brands that are already considering sustainability as a crucial factor to continue their successful path. I could analyze and identify a common process in their approaches, which are also congruent with the existing literature.

The concept of luxury has always been associated with the notion of high economic power. The population that consumes luxury products is not impacted by high prices, but, on the contrary, expects them, since this criterion ends up creating a divider in relation to the products of easier access by the consumer market. It would work almost as a guarantee of quality.

However, with the latest global trends linked to the need for sustainability as a whole, the luxury goods industry has faced many challenges, from the search for raw materials, through production methods, Human Resources policies and final product design.

However, what at first might seem a difficult transition, in terms of structural changes and consequent decrease in profit margin, the implementation of the concept of sustainability has proven to be a very promising factor for the brand which adopts it.

Despite this topic started to gain more attention through the last years, L'Oréal Groupe has been working on it for more than 30 years, when it launched one of its industries, which started its operation model based on strong sustainability actions – Burgos Factory in Spain.

With enough future vision, Kérastase and Giorgio Armani Beauty started to weave and execute detailed projects so that it could sustain its luxury brand, even though, with the introduction of the sustainability issue.

Thus, the brands studied the change of raw materials, in order to find the best ways to meet its interests, as well as those of the environment and the planet. In parallel, it started to design changes and constructions of industries so that they would not cause pollution or harmful waste. It studied test methods that no longer involved living beings. It increased the valorization of its collaborators, adopting strong policies to sustain its human force to improve the quality of life, sustaining its human labor force.

As a result of the real effort in adopting all the necessary criteria for sustainability in its luxury industry, Kérastase and Giorgio Armani Beauty not only maintained its profit margins but was able to get even closer to its target public.

As found during interviews with some brand leaders, their speeches show that brands are increasingly aligned with their luxury consumers, who, in turn, have demanded the need for a sustainable consumption.

Therefore, if there is a proper planning, luxury will be naturally merged with sustainability, to the point where we can say that "luxury is sustainability".

Indeed, the concepts of sustainability and luxury can be contradictory (Lo & Ha-Brookshire, 2018), but it's not more a matter of choice to merge them. Studies on consumers have proved that sustainability is a requirement to brands, once they maintain their quality and performance (Janssen, Vanhamme, & Leblanc, 2017). Moreover, this study also brings to managers' attention the necessity to foster sustainability within their teams, throughout insights that can be transformed into actions, to reduce not only the environmental impact of the companies they work for, but also change the behaviors of their teams in professional and personal levels.

Nonetheless, I can point out two main limitations of my work: the first one is about the fact that I have chosen two different brands but from the same company, which are engaged under the same sustainability guidelines for the future. This can mean that probably the process identified in my findings could be slightly different if I had studied brands with nothing in common, apart from luxury. The second limitation regards the fact that my study is based, mainly, in L'Oréal Iberian Cluster (Portugal & Spain), what can bring geographics limitations in terms of consumers' habits, demands and marketing strategies. However, these limitations can be overcome by future studies that could go deeper in a more data-driven analysis regarding different parts of the world and comparing brands which the only common factor is luxury and size.

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9 APPENDICES

APPENDIX 1: PRIMARY AND SECONDARY DATA COLLECTED

The L'Oréal Groupe Primary Data				
Type of source	Name	Position	Date of collection	Length
Interview	Patricia da Costa	Key Account Manager at Professional Products Division Portugal and Member of the L'Oréal For the Future Squad	21.03.2022	40 minutes and 22 seconds
Interview	Valentine Malivel	Multi-Brand Sustainability Project Manager France	14.03.2022	43 minutes and 07 seconds
Participant-observation	Jose Passarelli	Assistant Brand Activation Manager at Kérastase Portugal	07.2021 to 05.2022	N/A

Table 1: Primary Data Collected on L'Oréal Groupe

The L'Oréal Groupe Secondary Data			
Type of data	Description	Author/Organisation	Date of Collection
Article - Website	How sustainability is reshaping the work of L'Oréal's brands	Strategist	25/03/2022
Article - Journal	Sustainable Development in Practice: Case Study of L'Oréal	Journal of Business and Retail Management Research (JBRMR)	19/03/2022
Article - Magazine	L'Oréal Unveils New Water-Saving Technology For Hair Salons	Forbes	13/04/2022
Article - Magazine	How L'Oréal Is Turning Itself Into A Sustainability Leader	FastCompany	03/04/2022
Article - Newspaper	É urgente (re)centrar os modelos de negócio na sustentabilidade	Público PT	22/04/2022
Blog Post	The L'Oréal Water Saver Will Change Your Salon Shampoo Experience Forever — and For the Best	Marci Robin - Allure	17/04/2022
Internal Newsletter	One LOPE Voice Newsletter	The L'Oréal Groupe	10/04/2022

Internal Newsletter	Mais um passo na nossa transparência e sustentabilidade	The L'Oréal Groupe	21/03/2022
Internal Presentation	L'Oréal For The Future Roadmap	The L'Oréal Groupe	30/04/2022
Internal Presentation	Commercial Team 2021 Overview and 2022 Business Plan	The L'Oréal Groupe	30/04/2022
Internal Training	Sustainability Trainings	The L'Oréal Groupe	25/04/2022
Report	L'Oréal For The Future Booklet	The L'Oréal Groupe	09/03/2022
Report	L'Oréal Annual Report 2022	The L'Oréal Groupe	09/03/2022
Report	Environmental & Social Impact Labelling Methodologies	The L'Oréal Groupe	09/03/2022
Report	L'Oréal Finance Report 2022	The L'Oréal Groupe	09/03/2022
Report	L'Oréal for the Future. Our sustainability commitments for 2030	The L'Oréal Groupe	09/03/2022
Video	Discover L'Oréal For The Future	The L'Oréal Groupe	05/04/2022
Video	Sustainability - L'Oréal Master Class - Alexandra Palt	The L'Oréal Groupe	05/04/2022
Video	The Mission is Personal: L'Oréal's Sustainable Transformation	The L'Oréal Groupe	05/04/2022
Video	Leaders with Lacqua: Jean-Paul Agon, L'Oreal Chairman & CEO	The L'Oréal Groupe	05/04/2022
Video	L'Oreal CEO Nicolas Hieronimus interview	The L'Oréal Groupe	05/04/2022
Video	L'Oréal Sustainability Manifesto	The L'Oréal Groupe	05/04/2022
Video	The Mission is Personal: L'Oréal's Sustainable Transformation	The L'Oréal Groupe	05/04/2022
Website	Sustainability the key as L'Oréal affirms 'sharing beauty with all' mantra	The Moodie Davitt Report	22/03/2022

Website	L'Oréal Groupe - For the Planet	The L'Oréal Groupe	22/03/2022
Website	L'Oréal recognized as Global Compact LEAD by the United Nations	The L'Oréal Groupe	22/03/2022
Website	L'Oréal recognized as a global environmental leader with triple 'A' score given by the CDP	The L'Oréal Groupe	22/03/2022
Website	Our Product Environmental and Social Labelling	The L'Oréal Groupe	22/03/2022
Video	L'Oréal Environmental and Social Labelling	The L'Oréal Groupe	05/04/2022

Table 2: Secondary Data Collected on L'Oréal Groupe

Kérastase Paris Primary Data				
Type of source	Name	Position	Date of collection	Length
Interview	Joana Cal	Brand Activation Director at the Professional Products Division Portugal & Iberian Cluster Transition Director	06/04/2022	38 minutes and 35 seconds
Interview	Inês Neves	Brand Activation Manager at Kérastase Portugal	03/05/2022	42 minutes and 57 seconds
Interview	Aitana Soria	Marketing Product Manager at Kérastase Spain	06/05/2022	33 minutes and 28 seconds
Participant-Observation	Jose Passarelli	Assistant Brand Activation Manager at Kérastase Portugal	07/2021 to 05/2022	N/A

Table 3: Primary Data Collected on Kérastase Paris

Kérastase Paris Secondary Data			
Type of data	Description	Author/Organisation	Date of Collection
Article - Magazine	Luxury futurist: Kerastase Summit Bali	Cameron Pine - InStyle Magazine	28/03/2022
Article - Magazine	GET SAVVY ON sustainability	Daniel Lee - Hairdressers Journal Magazine	28/03/2022
Article – Website	The ultimate guide to refillable beauty	Roberta Schroeder – BAZAAR Harpers	28/03/2022
Communication	Chroma Absolu e-commerce Banners	Kérastase's Cluster Marketing Team	28/03/2022
Communication	Genesis Homme e-commerce Banners	Kérastase's Cluster Marketing Team	08/04/2022
Communication	Refillable Bottles e-commerce Banners	Kérastase's Cluster Marketing Team	08/04/2022
Communication	HERO VIDEO REFILLABLE BOTTLES	Kérastase's International Team	08/04/2022

Internal Newsletter	O FUNDO DE INOVAÇÃO CIRCULAR E OUTRAS AÇÕES AMIGAS DO PLANETA	Kérastase	08/04/2022
Internal Presentation	Beyond the roots and tips : hair care	Abby Vorster - Sabinet African Journals: South African Pharmaceutical and Cosmetic Review	30/03/2022
Internal Presentation	FIT KER	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	KER Apresentação Marca	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	CARTA - SELL-OUT KÉRASTASE 4º FASE 2021	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	CARTA - SELL-OUT KÉRASTASE 3º FASE 2021	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	CARTA - SELL-OUT KÉRASTASE 2º FASE 2021	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	CARTA - SELL-OUT KÉRASTASE 1º FASE 2021 atualizado	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	CARTA - DESAFIO DE COLABORADOR KÉRASTASE REABERTURA	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	CARTA - SELL-OUT FUSIO-DOSE KÉRASTASE 4º FASE 2021	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	CARTA - SELL-OUT FUSIO-DOSE KÉRASTASE 3º FASE 2021	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	CARTA - SELL-OUT FUSIO-DOSE KÉRASTASE 2º FASE 2021	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	CARTA - SELL-OUT SERVIÇOS PRO KÉRASTASE 1º FASE 2021 atualizada	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	RESULTADOS Desafios 3ª e 4ª fases 2021	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	RESULTADOS Desafios 2ª fase KER 1ª fase SHU 2021	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	RESULTADOS Desafios 1ª fase 2021	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	Incentivos Kérastase 1ª Fase 2021	Kérastase's Activation Marketing Team Portugal	30/03/2022
Internal Presentation	Cycle 3 Sales Presenter	Kérastase's Cluster Marketing Team	10/03/2022
Internal Presentation	Cycle Video Script - Cycle 3	Kérastase's Cluster Marketing Team	03/04/2022
Internal Presentation	KERASTASE POST PLAN AMBIANCE	Kérastase's Cluster Marketing Team	20/03/2022
Internal Presentation	CHANNEL REVIEW C5 KER & SHU DIRECTO	Kérastase's Cluster Marketing Team	04/04/2023
Internal Presentation	CHANNEL REVIEW C4 KER & SHU DIRECTO	Kérastase's Cluster Marketing Team	04/04/2023

Internal Presentation	CHANNEL REVIEW C3 KER & SHU DIRECTO	Kérastase's Cluster Marketing Team	04/04/2023
Internal Presentation	CHANNEL REVIEW C2 KER & SHU DIRECTO	Kérastase's Cluster Marketing Team	04/04/2023
Internal Presentation	CHANNEL REVIEW C1 KER & SHU DIRECTO	Kérastase's Cluster Marketing Team	04/04/2023
Internal Presentation	Sustainability: Care is our story and our future Editorial Content Kit	Kérastase's International Team	17/03/2022
Internal Presentation	Refillable 2022 Staging Guidelines	Kérastase's International Team	17/03/2022
Internal Presentation	Refillable Content Memo & Opera Guide	Kérastase's International Team	17/03/2022
Internal Presentation	Editorial Kit: Refillable Bain Sustainability Overview	Kérastase's International Team	17/03/2022
Internal Presentation	Genesis Homme - Launch Dossier Final	Kérastase's International Team	17/03/2022
Internal Presentation	Genesis Homme - Kit Digital	Kérastase's International Team	17/03/2022
Internal Presentation	Genesis & Genesis Homme Content Memo VF	Kérastase's International Team	17/03/2022
Internal Presentation	e-com Sales Presenter Genesis Homme	Kérastase's International Team	17/03/2022
Internal Presentation	Genesis Homme - Seeding Order Form	Kérastase's International Team	17/03/2022
Internal Presentation	Chroma Content Mapping VF	Kérastase's International Team	17/03/2022
Internal Presentation	Chroma Absolu Opera Finder & Rights	Kérastase's International Team	17/03/2022
Internal Presentation	Chroma Absolu - Marketing Launch File	Kérastase's International Team	17/03/2022
Internal Presentation	KERASTASE- OLFACTORY 2022 MARKETING FILE INTER	Kérastase's International Team	11/04/2022
Internal Presentation	Spring Animation Newsletter_Desktop_Light	Kérastase's International Team	11/04/2022
Internal Presentation	DIGITAL KIT - SUMMER ANIAMTION	Kérastase's International Team	11/04/2022
Internal Presentation	KERASTASE SUMMER MARKETING FILE 2022	Kérastase's International Team	11/04/2022
Internal Presentation	Masterfile Genesis Homme ES	Kérastase's International Team & Kérastase's Cluster Marketing Team	21/05/2022
Lecture	DPP Cycle 3 Meeting	Kérastase's Cluster Marketing Team	30/04/2022

Magazine Interview	“Temos um consumidor muito mais conhecedor, multicircuito, omnicanal, que privilegia a notoriedade, a confiança e a experiência das marcas”	Gonçalo Nascimento to Distribuição Hoje	25/04/2022
Video	Introducing L'Oréal Water Saver: Sustainable Haircare Technology for the Salon and Home	Kérastase	10/05/2022
Video	OUR COMMITMENTS - Care is our story and our future	Kérastase	10/05/2022
Video	NEW REFILLABLE SHAMPOO BOTTLES	Kérastase	10/05/2022
Website	Redefining Exceptionnal Haircare	Kérastase	30/04/2022
Website	CARE IS OUR STORY AND OUR FUTURE	Kérastase	30/04/2022
Website	EL COMPROMISO DE KÉRASTASE CON LA SOSTENIBILIDAD	Kérastase Spain Website	30/04/2022

Table 4: Secondary Data Collected on Kérastase Paris

Giorgio Armani Beauty Primary Data				
Type of source	Name	Position	Date of collection	Length
Interview	Cristina Sobrinho	Management Marketing Trainee at Armani Beauty Portugal	04/05/2022	42 minutes and 23 seconds
Interview	Luis Oliveira	Brand Activation Manager at Armani Beauty Portugal	05/05/2022	40 minutes and 17 seconds
Interview	Carlos Figueroa	Product Manager Female Fragrances, Make-up & Skincare	10/05/2022	33 minutes and 10 seconds

Table 5: Primary Data Collected on Giorgio Armani Beauty

Giorgio Armani Beauty Secondary Data			
Type of data	Description	Author/Organisation	Date of Collection
Academic Article	The Anatomy of an International Fashion Retailer – The Giorgio Armani Group	Christopher Moore & Stephen Wigley - University of Huddersfield	06/05/2022
Article - Magazine	Emporio Armani's Latest Collection Puts Sustainability at the Forefront	AEWorld	16/04/2022
Article - Magazine	EXCLUSIVE: Giorgio Armani Shines the Light on CSR With New Values Site	AEWorld	16/04/2022
Article - Magazine	A rare audience with Giorgio Armani: 'I am anti-fashion'	British GQ	16/04/2022

Article - Magazine	Giorgio Armani: Ten Years in Dubai and the Sustainability Project	Excellence Magazine Luxury	16/04/2022
Article - Magazine	Giorgio Armani announces environmental goals	Fashion Network	16/04/2022
Article - Magazine	Sun, Sea and Sky for Emporio Armani Sustainable Line	Fizzy Mag	25/04/2022
Article - Magazine	Lampoon / the Transition issue: Giorgio Armani says the consumer must consume less	Lampoon Magazine	25/04/2022
Article - Magazine	Fashion superstar Giorgio Armani on his global empire	LUX - Responsible Culture	25/04/2022
Article - Magazine	Opinion: Giorgio Armani Is Leading Luxury Towards New Paths	Luxury Society	02/04/2022
Article - Magazine	Giorgio Armani: 'The pandemic is a warning for all of us'	The Spin Off	02/04/2022
Article - Magazine	Giorgio Armani's Newest Fragrance Marks Its Commitment To Sustainability	Viva Magazine	02/04/2022
Article - Magazine	Giorgio Armani on Fashion's Future— And Why He's Not Slowing Down	Vogue Magazine	02/04/2022
Article - Magazine	Giorgio Armani on Emporio Armani's 40th Anniversary, Inclusion and Diversification	WWD - Women's Wear Daily	02/04/2022
Article - Newspaper	Armani Takes Up a Cause	The New York Times	02/04/2022
Blog Post	The Giorgio Armani case: Can a luxury brand truly become eco-sustainable?	Apple Tree	10/05/2022
Report	THE ARMANI GROUP AND SUSTAINABILITY	Armani Group	10/05/2022
Video	HOW TO - MY WAY, the refillable fragrance by Giorgio Armani	Armani Beauty	10/05/2022
Video	MY WAY - A sustainability journey, Adria Arjona interview	Armani Group	10/05/2022
Video	Inside Giorgio Armani's Fashion Legacy The Business of Fashion	The Business of Fashion	15/05/2022
Website	ECO-CONCEPTION AT CORE	Armani Group	15/05/2022
Website	EMPORIO ARMANI GREEN PROJECT	Armani Group	15/05/2022
Website	WHAT SUSTAINABILITY MEANS FOR THE ARMANI GROUP	Armani Group	15/05/2022
Website	A VISION FOR THE FUTURE	Armani Group	15/05/2022
Website	Giorgio Armani's new scent marks turning point in commitment to sustainability	Cosmetic Business	15/05/2022

Website	Making beauty greener: The refillable packaging solutions driving change	Cosmetic Business	15/05/2022
Website	Giorgio Armani – The Iconic Global Fashion Brand	Martin Roll	10/05/2022
Website	L'Oréal and Armani renew their partnership in beauty	The L'Oréal Groupe	10/05/2022
Website	My Way: Giorgio Armani reveals new sustainable fragrance pillar	The Moodie Davitt Report	10/05/2022

Table 6: Secondary Data Collected on Giorgio Armani Beauty

APPENDIX 2: 1ST ORDER CONCEPTS, 2ND ORDER THEMES AND AGGREGATE DIMENSIONS

FIRST-ORDER CONCEPTS	SECOND-ORDER THEMES	AGGREGATE DIMENSIONS
The packages must communicate with the luxury consumer profile.	MARKETING ASPECTS	INTERNAL MOBILIZATION
Constant concern with what will really impact the consumer's choice.		
Employees and commercial team must be the first ambassadors of the brands.		
Make the consumer understand that sustainability is a real problem, not just a solution to sell more.		
For the final consumer, communication, advertising and media are important.		
Advertising actions must carry the message of sustainability intrinsically.		
It is important to engage all stakeholders in the sustainability mindset.		
The market increasingly demands disclosure of all sustainability actions through all possible channels.		
Promotion of offers that are aligned with one of the brands' priorities: sustainability.		
Sustainability is an intrinsic part of the luxury market.	PSYCHOLOGICAL ASPECTS	MARKET DEMAND
In addition to all employees, the actions of the commercial departments must include the dissemination of the concept of sustainability, in line with the global trend.		
Sustainability is a transversal issue, meaning that it doesn't depend on the consumer, target or prices.		
The luxury market would not accept a change in the quality of the brand, although the packaging would change, yet still retain the appearance of luxury.	CONSUMER DEMAND	
There must be a correlation between the brand decision and the type of consumer choice.		
Implementing sustainability has become a natural process in the luxury market.		
The luxury end consumer has increasingly demanded sustainability in the products they buy.		
The luxury end consumer has increasingly questioned the absence of sustainability in the products they buy.		
The most luxurious consumer no longer expects plastic in the packaging of the products they consume.		
Brands already expect and act on the luxury market's new demand for sustainability.		
Sustainability is no longer a factor of competitive advantage, it is a requirement.		
Sustainability is a topic in which every consumer is engaged to.		
Consumers' demands are the basis to create a sustainable brand without losing its DNA and luxury position.		
The consumer is already demanding sustainability.		
Besides the company's internal engagement in adopting the concept of sustainability, the luxury consumer, has valued the concept, to the point of discarding, over time, brands that have not followed this global trend.	TRAINING AND AWARENESS	
Sustainability must be embraced from the inside to the outside of the brand.		
Training and educating managers.		

Creation of educational processes for clients to become aware of the need to make their spaces compatible with the concept of sustainability.		
Awareness and training at points of sale to show the importance of changing product packaging and other actions linked to sustainability.		
Action at points of sale to "sell" the concept of sustainability applied in the brands to the final consumer.		
Conducting training engaged in education processes.		
The training of the field teams, of the salespeople, is important.		
Sustainability actions at points of sale, such as incentives linked to sustainability.		
Making processes as neutral as possible concerning to environmental impacts.		
Before thinking about sustainability applied to the final product, the company already practiced the concept of sustainability internally.		
The importance of making all employees aware that the implementation of sustainability is not only something that comes from the outside or that the market demands, but that it really is the company's way of being.		
Train all employees to become more sustainable in their personal lives.		
Adopt sustainability actions inside the offices, such as recycling and limited use of environmentally harmful materials.		
Beyond the manufacturing of products as a whole, macro actions are needed in the sense of helping the world's needy populations to have a greater possibility of sustainability on a global level.		
Ensure at the logistic level and at the transport level, to reduce the environmental footprint as much as possible.		
The L'Oréal Groupe has already taken sustainability actions for at least 30 years.		
Careful selection of distributors and suppliers that will guarantee the maintenance of the sustainability concept at points of sale.		
Introduction of natural ranges, such as Kérastases's Aura Botânica line.		
Guaranteed performance and quality.		
Creating products which are luxurious, attractive and at the same time sustainable.		
Produce products which are 100% recycled and recyclable.		
Concern about the way of extraction and selection of ingredients in the most sustainable and least harmful ways possible.		
Increasingly less use of plastic in packaging, and use of reusable bottles, made of recycled and recyclable material.		
Innovate in essences following the premises of least possible aggression to the environment.		
Replace the lack of warranty given by the use of cellophane with labels that fulfill this function.		
Huge effort in having the best formulas, the latest innovative formulas to ensure a good quality, while being sustainable.		
Creation of refillable systems and water saving technologies for salons.		
Capacitation of the industries in relation to machinery and raw materials.		
Focus on reasearch and development.		
	MANAGERIAL ACTIONS	
		FOSTERING SUSTAINABILITY
	TECHNICAL ACTIONS	

Table 7: Data Analysis Table

APPENDIX 3: FIGURE 7, FIGURE 8, FIGURE 9



REFILLABLE BOTTLE

designed to last

100% recycled & recycled aluminum
reusable again and again.



REFILL POUCH

designed to reduce plastic use

82% less plastic
than 2 single-use 250ml shampoo bottles

Figure 7 - Kérastase's new sustainable delivery system: Refillable Bottle and Refill Pouch. Source: www.kerastase.com



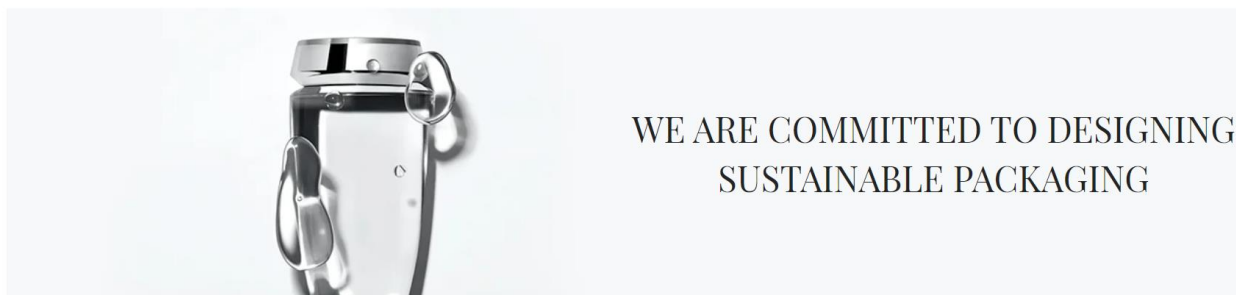
Kérastase applies its innovative spirit to an entirely new shampoo delivery system that is more luxurious and sustainable than ever before. Available in five Kérastase ranges, the refillable bain provides a completely reusable, beautiful shampoo bottle with custom engraving for an aesthetically pleasing, luxury look in the shower. The system eliminates most of the plastic waste associated with single-use shampoo bottles, making heightened luxury a responsible practice.

Figure 8 - Refillable bottles from Kérastase. Source: www.kerastase.com



Figure 9 - Giorgio Armani Beauty's My Way's refillable system. Source: www.armanibeauty.co.uk

APPENDIX 4: INTERESTING EXAMPLES OF KÉRASTASE AND GIORGIO ARMANI BEAUTY COMMUNICATING SUSTAINABILITY



Kerastase is always looking for ways to optimize packaging, including using less virgin materials and more recycled materials, and a refillable delivery system. Beginning with shampoo bottles and branching out to more and more products, we are creating a packaging program that keeps sustainability top of mind.

Figure 10 - Kérastase's communication regarding sustainability. Source: www.kerastase.com



Figure 11 - Kérastase's communication about the use of plastic in their packaging. Source: www.kerastase.com



NATURAL INGREDIENTS

Armani beauty's strict formulation philosophy extends from the brand's original dedication to quality, while the use of plant-based ingredients aligns with the designer's ongoing dialogue with nature. Makeup is infused with naturally nourishing shea butter and argan oil from Burkina Faso, while skincare revolves around Reviscentalis' 'life extract', the rejuvenating active derived from the *Myrothamnus flabellifolia* resurrection plant sourced in Zimbabwe. The ingredients in Armani fragrances include vanilla from Madagascar and patchouli from Guatemala, sourced through local programs that support underprivileged and economically vulnerable communities and based on fair trade principles, in collaboration with local NGOs.

Armani is committed to efficacious formulations, favoring the use of biobased ingredients, derived from abundant minerals or from circular processes.

Figure 12 - Giorgio Armani Beauty communicating the use of natural ingredients in their productions. Source: armanibeauty.com