What Women Want: Creation of A Luxury Brand

CaselSM.com

General Conclusions
- Celebrity (often spokesperson)
- Humane practices prevalent in China
- China less prevalent than in commodity grade, and happens in cheaper range of luxury goods
- Check that foundations that partner with donors in NGOs interested
- Unless there is a specific production of products marketed for the cause, unlikely to see much advertisement

[Diagram showing research questions, existing literature, case study, findings, and questions for further research]
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Research Questions

Do CRM efforts in luxury brands differ from mainstream? If so, how?

How do luxury consumers' preferences for ethical products differ from the average consumer?

How do the differences in preferences translate into different ethical efforts?

How do the differences in preferences translate into different marketing techniques?

CaseISM.com
Luxury and Ethical Consumption Compatible

- People already pay a premium for quality
- Luxury brands operate on a smaller scale
- Many products already manufactured in developed world; just need to focus on sourcing
- Ethical products eases some of the guilt of excessive luxury consumption
- Luxury consumers are wealthier, and on average, better educated -- more likely to see consumption as a "vote"
- Luxury opposite of "fast fashion"
Luxury and Ethical Consumption Not Compatible

- Inherent conflict between egocentric luxury and selfless CSR
- Luxury goods often have least ethical materials (conflict diamonds and other gems, gold, leather, fur)
- Consumers more likely to do research on everyday products rather than investments
- Fallacy of Clean Luxury [CaseISM.com](http://CaseISM.com)
- Fastest growing consumer of luxury products-- Asians, different priorities
Luxury and CRM

- helps alleviate guilt
- celebrities who are already spokespeople for luxury products get involved
- already paying premium for quality
- can donate to charity of choice without purchasing this product
- high price, high percentage to cause= frivolous
- high price, low percentage to cause= greedy

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Findings
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Overall Trends
- CSR not emphasized on any of the websites
- Strong fair labor regulation within own employees and own plants
- All have started environmental sustainability initiatives
- Each brand has a charitable giving foundation of varying sizes

Supply Chain Responsibility
- Sourcing
  - All jewelry materials have stringent policies against conflict materials
  - Also report on the traceability, where those carefully regulated to ensure quality control

Charitable Foundations
- Burberry donates 1% of annual profits
- Other charitable foundations, difficult to find numbers
- Tiffany Charitable Foundations supports ethical mining efforts

Cause-Related Marketing
- Support various causes related to sustainability and ethical practices
- Engage with communities to promote responsible business practices