

Ethical consumption and luxury gift-giving behavior

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Abstract

- We argue that the effects of ethical violations on purchase likelihood depend jointly on the nature of the violation and on the recipient type.
- Our findings suggest that luxury brands' ethical violations reduce purchase likelihood of gifts for close others, and this effect attenuates when buying for oneself; furthermore, environmental violations were the most egregious, even reducing "self-gifting" purchase likelihood.

Background

Ethical consumption:

- Definition: Conscious purchasing or boycotting due to an environmental, social responsibility, or human rights issue (Sudbury-Riley & Kohlbacher, 2015)
- Motivations: Distinction, pleasure, love and appreciation (Szmigin & Carrigan, 2005)
- Hindrances: Lack of information, limited option availability and higher purchase price (Bray et al., 2011; Joy et al., 2013)
- Arises less frequently in the context of luxury-goods purchases than when buying commodities (Davies et al., 2012)

Gift-giving:

- Convey the giver's characteristics as well as the giver's perception of the recipient (Wolfenbarger, 1990)
- Motivations could be experiential/positive, obligated or practical (Wolfenbarger & Yale, 1993)
- The benefits sought by the gift-giver may vary depending on the recipient, who could be the giver's superior, colleague/acquaintance, relative or friend (Parsons, 2002).

Self-gifts vs. interpersonal gifts:

- Demonstrate self-dialogue instead of symbolic messages, indulgences rather than social obligations, and internalized rather than mutual meaning (Heath et al., 2012).
- May occur to reward oneself or celebrate an achievement (Heath et al., 2012).

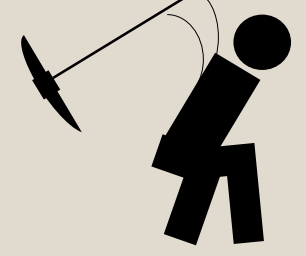
Discussion

Future research could investigate the impact of diverse dimensions of giver-receiver relationships and gift-giving motivations on ethical consumption, for more comprehensive predictive theories.

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Study 1

- Testing the effects of recipient type and ethical violation on purchase intentions for luxury goods
- 233 MTurk participants (122 females; median age 35-49yrs.)
- In a 2 (recipient: self vs. other) x 2 (violation: present vs. absent) between-subjects design, participants considered purchasing a luxury Rolex watch
- Half of the participants considered buying the watch for **themselves**, while the other half considered buying the watch as a gift for **someone close to them**
- Half of the participants read a fictitious news article about Rolex's use of **cheap labor**, while the other half saw **no violation**.

ROLEX	
Recipient	Violation
Self vs.	None vs.
Close Other	Cheap Labor
	


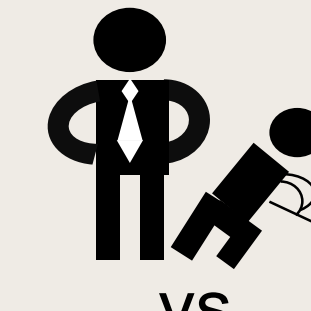
Participants rated their purchase likelihood (1=Extremely unlikely, 5=Extremely likely) for the watch



- Significantly less likely to buy the watch for someone else when there was a violation ($F=14.64, p<.001$)
- No effect of violation when buying for oneself ($F<1, p>.3$).

Study 2

- Testing the effects of recipient closeness and violation type on purchase intentions for luxury goods
- 299 MTurk participants (160 females; median age 25-34yrs.)
- A 4 (violation: **none** vs. **cheap labor** vs. **child labor** vs. **environmental violations**) x 3 (participant type: **self** vs. **other** vs. **extremely-close other**) between subject design

ROLEX	
Recipient	Violation
Self vs.	None vs.
	Cheap Labor
Other vs.	 vs.
	Child Labor
Extremely Close Other	 vs.
	Environmental



Purchase likelihood was significantly lower for an extremely-close other, when any violation was present ($p<.001$). Environmental violations also reduced purchase likelihood when buying for oneself ($p=.037$) or for a more-distant other ($p=.07$). No other violation effects were significant.

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