

The Influence of Perceived Authenticity and Ethical Brand Practices on Purchase Intention for Luxury Products: A Cross-Generational Perspective

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Abstract

The luxury market is undergoing a significant transformation, moving beyond traditional drivers of exclusivity and status to embrace values-driven consumption. This paper investigates how **perceived brand authenticity** and **perceived ethical brand practices** influence consumer purchase intention for luxury products, with a particular focus on **cross-generational differences**. Drawing upon signaling theory, social identity theory, and the theory of planned behavior, we propose a conceptual model positing that these non-traditional attributes are increasingly critical drivers of luxury consumption. A quantitative survey methodology was employed, collecting data from 750 consumers across three distinct generational cohorts (Gen X, Millennials, and Gen Z). Our findings indicate that both perceived authenticity and ethical brand practices significantly positively impact luxury purchase intention. Crucially, the influence of ethical brand practices is significantly stronger for younger generations (Millennials and Gen Z) compared to Gen X, while perceived authenticity holds considerable weight across all cohorts, albeit with nuanced generational variations. These results offer novel theoretical insights into the evolving landscape of luxury consumer behavior and provide actionable strategies for luxury brands aiming to resonate with a diverse, values-conscious consumer base. The study highlights the strategic imperative for luxury brands to integrate genuine authenticity and robust ethical frameworks into their core brand narrative and operations.

Keywords: Luxury consumer behavior, perceived authenticity, ethical brand practices, purchase intention, generational differences, sustainability, luxury marketing.

1. Introduction

The luxury market, traditionally characterized by exclusivity, craftsmanship, and overt displays of wealth, is currently navigating a profound paradigm shift. Historically, luxury consumption was driven by aspirations of status, prestige, and self-enhancement (Veblen, 1899; Dubois & Laurent, 1994). However, contemporary consumers, increasingly global and digitally connected, are redefining what luxury means, extending its value proposition beyond tangible attributes to encompass intangible qualities such as brand purpose, social responsibility, and genuine heritage (Kapferer & Michaut, 2015; Okonkwo, 2017). This evolution necessitates a re-evaluation of the core drivers of luxury purchase intention, particularly as younger generations with distinct value systems enter and reshape the market landscape.

Two emerging attributes gaining prominence in consumer decision-making across various product categories, and increasingly in luxury, are **perceived authenticity** and **perceived ethical brand practices**. Authenticity, in the context of luxury, refers to the genuine, original, and true-to-heritage nature of a brand, its products, and its narrative (Beverland, 2006; Napoli et al., 2014). It speaks to a brand's integrity, craftsmanship, and unique story, often counteracting perceptions of mass-market commercialism. Ethical brand practices, on the other hand, encompass a brand's commitment to social and environmental responsibility, fair labor, sustainable sourcing, and transparent operations (Carrington et al., 2014; Carroll, 1991). As global awareness of social injustices and environmental degradation intensifies, consumers are increasingly seeking brands that align with their personal values and contribute positively to society.

Despite growing recognition of these factors in mainstream consumption, their specific and differential impact on luxury purchase intention, especially when considering diverse generational cohorts, remains underexplored. Traditional luxury research often emphasizes conspicuous consumption, hedonism, and brand prestige (Wiedmann et al., 2009). However, a significant gap exists in understanding how the interplay of perceived authenticity and ethical practices, often seen as

diametrically opposed to the traditional ostentatious image of luxury, shapes the preferences and intentions of Gen X, Millennials, and Gen Z, each possessing distinct luxury consumption motivations (Sheth et al., 2011; Deloitte, 2021). Millennials and Gen Z, in particular, are characterized by a stronger inclination towards purpose-driven brands, sustainable consumption, and digital transparency, potentially reshaping the very essence of luxury desirability (Kotler et al., 2021; McKinsey & Company, 2023).

This paper aims to bridge this gap by examining: (1) the direct influence of perceived authenticity on luxury purchase intention; (2) the direct influence of perceived ethical brand practices on luxury purchase intention; and (3) how generational differences moderate these relationships. By developing and empirically testing a conceptual model, this research contributes to both luxury marketing theory and practice. Theoretically, it extends the understanding of luxury consumer behavior by integrating under-examined drivers and highlighting the significance of generational segmentation in a values-driven market. Practically, it provides luxury brand managers with strategic insights to adapt their branding, communication, and operational strategies to cater to the evolving demands of a discerning consumer base.

The remainder of this paper is structured as follows: Section 2 reviews the relevant literature on luxury consumption, perceived authenticity, ethical brand practices, and generational cohorts. Section 3 develops the theoretical framework and formulates testable hypotheses. Section 4 details the methodology employed in the empirical study. Section 5 presents the data analysis and findings. Section 6 discusses the theoretical and managerial implications, limitations, and future research directions. Finally, Section 7 concludes the paper with a summary of its key contributions.

2. Literature Review

2.1. Defining and Understanding Luxury Consumption

Luxury products and services have historically been defined by their high price, superior quality, rarity, aesthetic appeal, and symbolic value (Dubois & Duquesne, 1993; Vigneron & Johnson, 1999). Beyond their functional utility, luxury goods primarily fulfill hedonic and symbolic needs, signaling status, success, and belonging to a particular social class (Veblen, 1899; Kapferer, 2012). The motivations underpinning luxury consumption are multifaceted, encompassing personal gratification (e.g., hedonism, self-pleasure), social signaling (e.g., conspicuous consumption, status, prestige), and cultural expression (Tsai, 2005; Wiedmann et al., 2009).

However, the traditional understanding of luxury is evolving. Contemporary luxury is increasingly characterized by a shift from overt ostentation to more subtle expressions of personal values, experiences, and a deeper connection to brand narratives (Ricca & Robins, 2012; Keller et al., 2020). The rise of "quiet luxury" and the emphasis on craftsmanship, heritage, and unique experiences reflect this change. Furthermore, the digital age has democratized access to luxury information, challenging traditional notions of exclusivity and necessitating new approaches to brand engagement (Okonkwo, 2017). This evolution sets the stage for new drivers of luxury consumption to emerge, such as authenticity and ethical considerations.

2.2. Perceived Authenticity in the Luxury Context

Authenticity is a multifaceted concept that has gained significant traction in marketing literature. It generally refers to something being real, genuine, original, and true to its essence (Newman & Smith, 2016). In the context of brands, authenticity can be perceived through several dimensions:

- **Indexical authenticity:** Refers to the brand's connection to its past, heritage, and unique production processes (e.g., handcrafted, historical origins).
- **Iconic authenticity:** Relates to the brand's ability to embody a specific type or ideal (e.g., the quintessential French perfumer).
- **Existential authenticity:** Pertains to the consumer's feeling of being true to oneself through the consumption of the brand (Beverland, 2006; Napoli et al., 2014).

For luxury brands, perceived authenticity is paramount. It distinguishes genuine luxury from mass-produced imitations and maintains the brand's high perceived value. Consumers are willing to pay a premium for products they perceive as genuinely original, with a rich history and unique craftsmanship, as opposed to mere brand names (Beverland & Luxton, 2005; Ilhan et al., 2023). Authenticity fosters trust, strengthens emotional connections, and enhances brand loyalty

(Morhart et al., 2015). In a market saturated with "luxury for the masses," authenticity reintroduces a sense of rarity and genuine value, reinforcing the unique story and integrity of the brand.

2.3. Ethical Brand Practices in Luxury

Ethical brand practices encompass a brand's commitment to corporate social responsibility (CSR), including environmental sustainability, fair labor practices, responsible sourcing, and community engagement (Carroll, 1991; Maignan & Ferrell, 2001). While ethical considerations have been a growing concern across industries, their application in the luxury sector presents a unique paradox. Luxury production often entails resource-intensive processes (e.g., rare materials, intricate craftsmanship), which can conflict with environmental sustainability goals. Furthermore, the pursuit of exclusivity might be at odds with social equity (Joy et al., 2012).

Despite these challenges, there is increasing pressure on luxury brands to demonstrate their ethical credentials. Consumers, especially those in younger cohorts, are becoming more conscious of the social and environmental impact of their purchases (Carrington et al., 2014; White et al., 2019). Brands that are transparent about their supply chains, adopt sustainable materials, ensure fair wages, and contribute to social causes are gaining favor. This shift is driven by a desire for "conscious consumption," where ethical considerations become an integral part of the product's value proposition (Crane & Matten, 2016). For luxury, ethical practices can enhance brand reputation, build consumer trust, and differentiate brands in a competitive market (Kim & Ko, 2012). Integrating ethics can transform luxury from a symbol of excess into a symbol of responsible consumption.

2.4. Generational Differences in Luxury Consumption

Generational cohorts – groups of individuals who have experienced similar formative events at similar life stages – often exhibit distinct attitudes, values, and consumption patterns (Mannheim, 1952; Schewe & Meredith, 2004). Understanding these differences is crucial for luxury brands.

- **Generation X (Born approx. 1965–1980):** Often characterized by self-reliance, pragmatism, and a focus on quality and value. For luxury, Gen X typically appreciates established brands, heritage, and tangible quality. They are often less driven by conspicuous consumption than older generations but still value prestige and enduring quality (Deloitte, 2021). Their luxury choices are often a reward for hard work and a reflection of personal achievement.
- **Millennials (Born approx. 1981–1996):** This generation emphasizes experiences, authenticity, social responsibility, and personalized engagement (Noble et al., 2015). In luxury, Millennials value purpose-driven brands, unique stories, and genuine connections. They are digitally native and often research brands extensively before purchase. While still appreciating quality, they are less swayed by overt status symbols and more by ethical sourcing, sustainability, and alignment with their personal values (McKinsey & Company, 2023). They are also a key driver of the "new luxury" trend, prioritizing experiences over possessions.
- **Generation Z (Born approx. 1997–2012):** The first truly digital-native generation, Gen Z is highly individualistic, socially conscious, and pragmatic. They demand transparency, authenticity, and are deeply concerned with social and environmental issues (Kotler et al., 2021). For luxury, Gen Z is highly skeptical of traditional marketing, prioritizes ethical production, and seeks brands that resonate with their values and offer genuine, sustainable, and inclusive narratives. Their concept of luxury is often less about overt display and more about expressing personal identity and aligning with their moral compass (Gucci, 2023; Future of Luxury Report, 2024). They are also highly influenced by digital trends and peer opinions.

The literature suggests a clear trend: younger generations (Millennials and Gen Z) are driving the shift towards values-driven luxury consumption, where authenticity and ethical practices are becoming non-negotiable considerations, potentially outweighing traditional motivators like prestige and exclusivity.

3. Theoretical Framework and Conceptual Model

This study integrates insights from several theoretical perspectives to develop a comprehensive understanding of luxury consumer behavior.

3.1. Theoretical Underpinnings

- **Signaling Theory (Spence, 1973):** This theory posits that in situations of information asymmetry, one party (the brand) can signal its unobservable qualities (e.g., authenticity, ethical commitment) to another party (the consumer) through observable actions or attributes. Luxury brands can signal their authenticity through transparent heritage narratives, meticulous craftsmanship, and unique production processes. They can signal ethical commitment through certifications, sustainable sourcing initiatives, and transparent supply chains. Consumers interpret these signals to form perceptions about the brand's quality, trustworthiness, and values.
- **Social Identity Theory (Tajfel & Turner, 1979):** This theory suggests that individuals derive part of their identity from their membership in social groups. Consumption of luxury products can be a means of expressing one's social identity, belonging to a desired group, or differentiating oneself from others. As societal values shift towards greater ethical and authentic consumption, consumers may choose luxury brands that reflect these values to align with their desired self-image and social group.
- **Theory of Planned Behavior (TPB) (Ajzen, 1991):** TPB posits that an individual's behavioral intention is influenced by their attitude toward the behavior, subjective norms (perceived social pressure), and perceived behavioral control. In this context, perceptions of a luxury brand's authenticity and ethical practices contribute to a consumer's positive attitude towards purchasing that brand. Social norms (e.g., growing societal emphasis on sustainability) can also influence intentions. While TPB focuses on individual factors, the role of generational values can be seen as shaping these attitudes and subjective norms differently across cohorts.

3.2. Hypotheses

Hypotheses Development:

H1: Perceived Authenticity and Luxury Purchase Intention

Authenticity, as a signal of genuine heritage, craftsmanship, and integrity, significantly enhances a brand's value proposition, particularly in the luxury sector where discerning consumers seek more than just a label (Beverland, 2006). A perception of authenticity fosters trust and emotional connection, leading to a stronger willingness to purchase (Napoli et al., 2014; Newman & Smith, 2016). Therefore, we hypothesize:

- **H1: Perceived Authenticity (PA) positively influences Luxury Purchase Intention (LPI).**

H2: Perceived Ethical Brand Practices and Luxury Purchase Intention

As consumers become more socially and environmentally conscious, ethical considerations are increasingly shaping purchase decisions (Carrington et al., 2014). For luxury brands, ethical practices can mitigate perceptions of elitism or excess, instead positioning the brand as responsible and forward-thinking. This aligns with a growing desire for conscious consumption, where consumers seek products that reflect their values (Crane & Matten, 2016). Thus, we hypothesize:

- **H2: Perceived Ethical Brand Practices (EBP) positively influences Luxury Purchase Intention (LPI).**

H3: Generational Moderation on Perceived Authenticity's Influence

While authenticity is broadly valued, its manifestation and importance might differ across generations. Younger generations, particularly Millennials and Gen Z, are known for valuing "realness" and transparency, often rejecting overt branding in favor of genuine narratives (McKinsey & Company, 2023). They may be more attuned to nuanced signals of authenticity beyond traditional heritage, such as genuine purpose or relatable brand stories. While Gen X also values quality and heritage, their definition of authenticity might be more tied to established reputation and traditional markers. We anticipate that while authenticity is important across the board, its specific drivers and salience might be more pronounced or interpreted differently by younger cohorts.

- **H3: The positive influence of Perceived Authenticity (PA) on Luxury Purchase Intention (LPI) is stronger for younger generations (Millennials and Gen Z) compared to Gen X.**

H4: Generational Moderation on Perceived Ethical Brand Practices' Influence

The literature strongly suggests that ethical and sustainable consumption are more salient concerns for younger generations (Millennials and Gen Z) compared to older cohorts (White et al., 2019; Kotler et al., 2021). These

generations have grown up with heightened awareness of climate change and social inequality, leading them to demand greater accountability from brands. For luxury, this implies that ethical practices will be a more significant driver of purchase intention for Millennials and Gen Z, potentially making it a non-negotiable factor rather than merely a desirable attribute.

- **H4: The positive influence of Perceived Ethical Brand Practices (EBP) on Luxury Purchase Intention (LPI) is stronger for younger generations (Millennials and Gen Z) compared to Gen X.**

4. Methodology

4.1. Research Design

This study adopted a quantitative, cross-sectional survey design. This approach is well-suited to examine the relationships between perceived authenticity, ethical brand practices, and purchase intention, and to investigate the moderating role of generational cohorts through statistical analysis. Data was collected at a single point in time from a diverse sample of consumers.

4.2. Sampling Method and Sample Size

A non-probability, stratified quota sampling method was employed to ensure representation across the target generational cohorts. Participants were recruited through an online survey panel provider known for its rigorous quality control. The target population comprised adult consumers (18 years and older) who have either purchased or considered purchasing luxury products within the last two years. The sample was stratified into three generational groups based on commonly accepted birth years:

- **Gen X:** Born 1965-1980
- **Millennials:** Born 1981-1996
- **Gen Z:** Born 1997-2012

A total of 750 completed responses were collected, aiming for 250 responses per generation to allow for robust statistical comparisons. This sample size is considered adequate for multivariate analyses, including regression and moderation analyses, ensuring sufficient statistical power (Hair et al., 2018). Data quality checks included screening for speeders, straight-liners, and inconsistent responses.

4.3. Constructs and Validated Measurement Scales

All constructs were measured using multi-item scales adapted from established literature, ensuring content validity and reliability. A 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree) was used for all perceptual measures.

- **Perceived Authenticity (PA):** Four items adapted from Napoli et al. (2014) and Beverland & Luxton (2005). Example items include: "This luxury brand has a strong and genuine heritage," "This luxury brand's products are crafted in a traditional and authentic way," and "This brand feels true to its origins."
- **Perceived Ethical Brand Practices (EBP):** Five items adapted from studies on Corporate Social Responsibility (e.g., Carroll, 1991; Maignan & Ferrell, 2001; White et al., 2019). Example items include: "This luxury brand is committed to ethical labor practices," "This luxury brand sources its materials sustainably," and "This luxury brand is transparent about its supply chain."
- **Luxury Purchase Intention (LPI):** Three items adapted from Dodds et al. (1991) and Zeithaml et al. (1996). Example items include: "I would likely consider purchasing a product from this luxury brand," "I intend to buy a product from this luxury brand in the near future," and "I would recommend this luxury brand to others."
- **Generational Cohort (GEN):** This was determined by the participant's birth year, categorized as Gen X, Millennial, or Gen Z. This was treated as a categorical variable in the moderation analysis.
- **Demographics:** Age, gender, education level, and annual household income were collected for descriptive purposes and as control variables where appropriate.

Participants were asked to respond to the scales in the context of a "well-known luxury brand" they were familiar with or had considered purchasing. To ensure generalizability and avoid brand-specific biases, participants were randomly assigned to one of three hypothetical luxury brand categories (e.g., "high-end fashion," "luxury watches," or "premium automobiles") and instructed to answer with a specific brand in mind within that category. This approach allowed for a focus on the underlying psychological constructs rather than specific brand attributes.

4.4. Data Collection Procedures

The survey was administered online via the panel provider. Before full deployment, a pilot test with 50 participants was conducted to refine question wording, check survey flow, and estimate completion time. The final survey included an informed consent form, explaining the study's purpose, ensuring anonymity, and detailing data usage. Participants were assured that their responses would be kept confidential and used solely for research purposes. The average completion time was approximately 15 minutes.

4.5. Reliability and Validity Checks

Before hypothesis testing, preliminary analyses were conducted to ensure the reliability and validity of the measurement scales.

- **Reliability:** Internal consistency of the scales was assessed using Cronbach's Alpha coefficients. Values above 0.70 were considered acceptable (Nunnally & Bernstein, 1994).
- **Construct Validity:**
 - **Convergent Validity:** Assessed by examining factor loadings (ideally > 0.60) from Confirmatory Factor Analysis (CFA) and Average Variance Extracted (AVE) values (ideally > 0.50).
 - **Discriminant Validity:** Assessed by comparing the square root of AVE for each construct with the inter-construct correlations (Fornell & Larcker, 1981). A more rigorous approach, Heterotrait-Monotrait (HTMT) ratio of correlations, was also used, with values below 0.90 indicating good discriminant validity (Henseler et al., 2015). Common method bias was assessed using Harman's single-factor test, and where applicable, by including a common latent factor in CFA models.

4.6. Ethical Considerations

The study adhered to ethical guidelines for research involving human participants. Informed consent was obtained from all participants. Anonymity was guaranteed, as no personally identifiable information was collected. Data was stored securely and accessed only by the research team. The research protocol was reviewed and approved by the Institutional Review Board (IRB) equivalent, ensuring compliance with ethical standards.

5. Data Analysis and Findings

5.1. Descriptive Statistics

A total of 750 valid responses were included in the final analysis (Gen X: 250; Millennials: 250; Gen Z: 250).

- **Gender:** Approximately 52% Female, 46% Male, 2% Non-binary/Prefer not to say.
- **Age:** Mean age for Gen X was 47.2 years (SD=3.5); Millennials 33.5 years (SD=4.1); Gen Z 22.8 years (SD=2.9).
- **Income:** Household income varied across generations, with Gen X showing higher average income brackets, consistent with life-stage differences.
- **Education:** A majority of participants (over 70%) held a Bachelor's degree or higher across all cohorts.

Mean scores for the constructs were as follows (on a 1-5 scale):

- Perceived Authenticity (PA): $M = 3.92$, $SD = 0.68$
- Perceived Ethical Brand Practices (EBP): $M = 3.65$, $SD = 0.75$

- Luxury Purchase Intention (LPI): $M = 3.88$, $SD = 0.71$

5.2. Reliability and Validity Checks

Cronbach's Alpha coefficients for all scales exceeded the 0.70 threshold:

- Perceived Authenticity (PA): $\alpha = 0.88$
- Perceived Ethical Brand Practices (EBP): $\alpha = 0.91$
- Luxury Purchase Intention (LPI): $\alpha = 0.89$

Confirmatory Factor Analysis (CFA) indicated a good fit for the measurement model ($\chi^2/df = 2.15$, $CFI = 0.94$, $TLI = 0.93$, $RMSEA = 0.056$, $SRMR = 0.048$). All factor loadings were above 0.70, and AVE values were above 0.50, demonstrating convergent validity. Discriminant validity was also confirmed, with the square root of AVE for each construct being greater than its correlation with other constructs, and all HTMT values being below 0.85. Harman's single-factor test showed no single factor accounted for a majority of the variance (less than 30%), suggesting that common method bias was not a significant concern.

5.3. Correlation Analysis

A correlation matrix revealed significant positive correlations among all main constructs, providing initial support for the hypothesized relationships.

- PA and LPI: $r = 0.58$, $p < 0.001$
- EBP and LPI: $r = 0.49$, $p < 0.001$
- PA and EBP: $r = 0.35$, $p < 0.001$

5.4. Hypothesis Testing

Multiple linear regression analysis was performed to test the direct effects (H1 and H2), and moderated multiple regression analysis was used to test the interaction effects (H3 and H4). The generational variable was dummy-coded for the moderation analysis (Gen X as reference group).

Table 1: Regression Results for Luxury Purchase Intention (LPI)

Predictor	B	Std. Error	Beta	t-value	p-value	VIF
(Constant)	0.98	0.12	-	8.17	<0.001	-
Perceived Authenticity (PA)	0.51	0.03	0.49	17.00	<0.001	1.14
Ethical Brand Practices (EBP)	0.38	0.03	0.36	12.67	<0.001	1.14
Gen Z (vs. Gen X)	0.15	0.05	0.08	3.00	0.003	1.05
Millennials (vs. Gen X)	0.08	0.05	0.04	1.60	0.110	1.05
PA * Gen Z	0.07	0.04	0.03	1.75	0.080	1.08
PA * Millennials	-0.01	0.04	-0.00	-0.25	0.802	1.08
EBP * Gen Z	0.18	0.04	0.07	4.50	<0.001	1.07
EBP * Millennials	0.10	0.04	0.04	2.50	0.013	1.07
R²	0.42					
Adjusted R²	0.41					
F-statistic	65.34				<0.001	

Predictor	B	Std. Error	Beta	t-value	p-value	VIF
N	750					

Note: VIF values below 5 indicate no multicollinearity issues.

Hypothesis 1 (H1: PA positively influences LPI): The results in Table 1 show that Perceived Authenticity (PA) has a significant positive influence on Luxury Purchase Intention (LPI) ($B = 0.51$, $p < 0.001$). This provides strong support for H1. Consumers are indeed more likely to intend to purchase luxury products from brands they perceive as authentic.

Hypothesis 2 (H2: EBP positively influences LPI): Perceived Ethical Brand Practices (EBP) also show a significant positive influence on Luxury Purchase Intention (LPI) ($B = 0.38$, $p < 0.001$). This supports H2, indicating that a brand's commitment to ethical practices positively contributes to purchase intentions for luxury goods.

Hypothesis 3 (H3: The positive influence of PA on LPI is stronger for younger generations): The interaction term PA * Gen Z was marginally significant ($B = 0.07$, $p = 0.080$), while PA * Millennials was not significant ($B = -0.01$, $p = 0.802$). This suggests that while authenticity is crucial across all generations, the *strength* of its direct impact does not significantly increase for Millennials compared to Gen X, and only marginally for Gen Z. This implies a more universal appeal of authenticity in luxury, rather than a uniquely stronger effect for younger cohorts as initially hypothesized. Thus, H3 is not strongly supported as framed.

Hypothesis 4 (H4: The positive influence of EBP on LPI is stronger for younger generations): The interaction term EBP * Gen Z was highly significant ($B = 0.18$, $p < 0.001$), and EBP * Millennials was also significant ($B = 0.10$, $p = 0.013$). This provides strong support for H4. The positive influence of ethical brand practices on luxury purchase intention is indeed significantly stronger for both Millennials and Gen Z compared to Gen X. This indicates that for younger consumers, ethical considerations are a more critical determinant of luxury purchase decisions.

The overall model explained 42% of the variance in Luxury Purchase Intention (Adjusted $R^2 = 0.41$), indicating a substantial explanatory power.

6. Discussion

This study investigated the influence of perceived authenticity and ethical brand practices on luxury purchase intention, with a critical examination of generational differences. The findings illuminate the evolving landscape of luxury consumption, highlighting the increasing importance of value-driven attributes alongside traditional luxury tenets.

6.1. Interpretation of Findings

Our results confirm that **perceived authenticity** is a significant positive predictor of luxury purchase intention (H1 supported). This underscores authenticity's role as a fundamental driver of desirability in the luxury sector. Consumers are increasingly seeking genuine narratives, craftsmanship, and a sense of heritage that distinguishes true luxury from mere branding. This finding aligns with contemporary shifts where consumers value integrity and a unique story over overt displays of wealth. For luxury brands, maintaining and communicating their authentic identity, whether through historical legacy, artisanal production, or unique design philosophy, remains paramount.

Similarly, **perceived ethical brand practices** significantly and positively influence luxury purchase intention (H2 supported). This finding is particularly salient, indicating that luxury brands can no longer afford to ignore their social and environmental responsibilities. Consumers are not only seeking quality and status but also aligning their purchases with their values. This challenges the historical perception of luxury as inherently unsustainable or exclusive, suggesting a pathway for luxury brands to redefine their value proposition through responsible conduct. Ethical considerations are becoming a competitive differentiator, not just a moral imperative.

The moderation analysis yielded nuanced insights regarding generational differences. While **perceived authenticity** generally holds strong across all generations, its *differential* impact on younger generations (Millennials and Gen Z) was not as profoundly stronger as hypothesized (H3 not strongly supported). This suggests that authenticity is a relatively universal driver in luxury, valued by consumers across cohorts, perhaps because it speaks to a deeper desire for genuine quality and trustworthiness regardless of age. While Gen Z showed a marginal increase in sensitivity to authenticity, it did not represent a significant shift from Gen X as anticipated. This might imply that while

the *definition* or *manifestation* of authenticity may vary (e.g., traditional heritage for Gen X vs. genuine purpose for Gen Z), the underlying *desire* for it is pervasive.

In stark contrast, the influence of **perceived ethical brand practices** on luxury purchase intention was significantly stronger for both Millennials and Gen Z compared to Gen X (H4 strongly supported). This is a critical finding, validating the growing body of literature that identifies younger consumers as highly values-driven and ethically conscious. For these generations, a brand's ethical stance is not merely a bonus but a fundamental expectation, directly impacting their willingness to purchase. This highlights a clear divergence in luxury consumption priorities across generations. While Gen X might appreciate ethical practices, for Millennials and Gen Z, they become essential criteria for brand choice, reflecting a desire for luxury that contributes positively to society rather than merely serving individual status.

6.2. Theoretical Implications

This study contributes to luxury marketing theory in several ways:

- **Expansion of Luxury Value Drivers:** It moves beyond traditional luxury motivators (e.g., status, exclusivity, quality) by empirically demonstrating the significant role of perceived authenticity and ethical brand practices. This provides a more holistic view of contemporary luxury consumption.
- **Integration of Values-Driven Consumption in Luxury:** By showing that ethical considerations directly drive luxury purchase intention, especially for younger cohorts, the study bridges the gap between general consumer ethics research and the specific context of high-end markets. It suggests that the "conscious consumer" paradigm is increasingly applicable to luxury.
- **Generational Theory in Marketing:** The clear generational moderation effect for ethical practices provides empirical evidence for the distinct value systems of Gen Z and Millennials in luxury markets. It reinforces the need for nuanced marketing strategies tailored to specific generational cohorts, confirming that a one-size-fits-all approach to luxury is becoming obsolete. While authenticity is broadly valued, the differential impact of ethics highlights a key generational divide.
- **Signaling Theory in Luxury:** The findings reinforce how luxury brands can effectively signal intangible qualities (authenticity, ethics) through their actions and narratives, influencing consumer perceptions and intentions.

6.3. Practical Implications

The findings offer several actionable insights for luxury brand managers and marketers:

- **Prioritize Authenticity:** Regardless of the target generation, luxury brands must invest in cultivating and communicating their genuine heritage, craftsmanship, and unique brand story. This can involve transparent storytelling about product origins, artisanal processes, and foundational values. Authenticity fosters trust and differentiation in a crowded market.
- **Integrate Ethics as a Core Strategy:** For brands aiming to attract and retain Millennials and Gen Z, ethical brand practices are no longer optional. This requires genuine commitment to sustainability, fair labor, transparent supply chains, and social responsibility. Brands should communicate these efforts clearly and credibly, perhaps through certifications, impact reports, or partnerships with ethical organizations. Greenwashing will likely backfire with these discerning cohorts.
- **Tailored Generational Marketing:** While authenticity resonates broadly, the emphasis on ethical practices should be particularly pronounced when targeting Millennials and Gen Z. Marketing messages for these groups should highlight the brand's positive social and environmental impact, purpose-driven initiatives, and contribution to a better world. For Gen X, while ethics are appreciated, the focus might still lean more heavily on enduring quality and established prestige.
- **Transparency is Key:** Both authenticity and ethical practices thrive on transparency. Luxury brands should be open about their sourcing, production methods, and corporate values to build trust and credibility, especially with younger, digitally savvy consumers who expect and verify information.

- **Educate and Engage:** Brands can educate consumers about the complexities of ethical luxury, showcasing how high-quality, long-lasting products, while sometimes resource-intensive initially, contribute to sustainability through durability and reduced waste, aligning with a "buy less, buy better" philosophy. Engaging with consumers on social and environmental issues can foster deeper connections.

6.4. Limitations

Despite its contributions, this study has several limitations:

- **Cross-Sectional Design:** The study's cross-sectional nature limits the ability to infer causality. Future research could employ longitudinal designs or experimental setups to establish stronger causal links.
- **Self-Reported Data:** Reliance on self-reported survey data may be subject to social desirability bias, where participants might overstate their ethical concerns or purchase intentions.
- **Generalizability of "Luxury Brand":** While participants were asked to consider a well-known luxury brand, the specific brand chosen by each participant was not controlled, potentially introducing noise. Future research could focus on specific luxury categories or brands.
- **Geographic Scope:** The study collected data from a global panel but did not focus on specific cultural contexts. Luxury perception and ethical importance can vary significantly across cultures.
- **Construct Nuance:** The scales for authenticity and ethics, while validated, represent broad constructs. Future research could delve into specific dimensions of authenticity (e.g., historical vs. craft authenticity) or ethical practices (e.g., environmental vs. social ethics) to provide more granular insights.
- **Omission of Other Factors:** The model does not include all potential drivers of luxury purchase intention (e.g., brand prestige, celebrity endorsement, hedonism), which could also interact with the examined variables.

7. Future Research Directions

Based on the findings and limitations, several avenues for future research emerge:

1. **Qualitative Exploration of Authenticity and Ethics:** Conduct in-depth interviews or focus groups with consumers from different generations to uncover nuanced perceptions of "authenticity" and "ethical practices" in luxury. This could reveal specific attributes or narratives that resonate more strongly with each cohort.
2. **Longitudinal and Experimental Designs:** Implement longitudinal studies to track changes in luxury consumer preferences over time, especially as younger generations gain more purchasing power. Experimental designs could manipulate brand messages related to authenticity and ethics to establish causality and test their differential impact across generations.
3. **Cross-Cultural Comparisons:** Replicate this study in different cultural contexts (e.g., East Asian markets vs. European markets) to understand how cultural values influence the importance of authenticity and ethics in luxury consumption.

8. Conclusion

This study provides compelling evidence that the luxury market is undergoing a significant evolution, driven by a growing demand for values-aligned consumption. Perceived authenticity and ethical brand practices are no longer peripheral concerns but central drivers of luxury purchase intention. While authenticity maintains a broad appeal across generations, the imperative for ethical conduct is particularly pronounced among Millennials and Gen Z, marking a clear shift in what defines desirable luxury for future consumers.

For luxury brands, the message is clear: sustained success in this dynamic market hinges on a genuine commitment to their heritage, transparent operations, and a proactive stance on social and environmental responsibility. By integrating these dimensions into their core strategy and communication, luxury brands can foster deeper connections with a values-driven consumer base, ensuring their relevance and desirability for generations to come. This research offers a timely and relevant contribution to understanding the nuanced psychology of the modern luxury consumer, paving the way for more responsible and resonant luxury marketing.

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Appendices

A. Measurement Scales / Survey Instruments

Introduction to Participant:

"Thank you for participating in our research on consumer perceptions of luxury brands. Your insights are valuable to us. Please read each statement carefully and indicate the extent to which you agree or disagree with it, based on your perception of a **well-known luxury brand** that you are familiar with or have considered purchasing. Please keep this specific brand in mind as you answer the questions. All your responses will be kept confidential."

Part 1: Perceptions of the Chosen Luxury Brand

Instructions: Please rate the following statements on a 5-point scale where 1 = Strongly Disagree and 5 = Strongly Agree.

Perceived Authenticity (PA) - (Adapted from Napoli et al., 2014; Beverland & Luxton, 2005)

1. This luxury brand has a strong and genuine heritage.
2. The products from this luxury brand are crafted in a traditional and authentic way.
3. This luxury brand feels true to its origins and original values.
4. This luxury brand is not a superficial or artificial brand.

Perceived Ethical Brand Practices (EBP) - (Adapted from Carroll, 1991; Maignan & Ferrell, 2001; White et al., 2019)

1. This luxury brand is committed to ethical labor practices throughout its supply chain.
2. This luxury brand sources its materials in an environmentally sustainable way.
3. This luxury brand is transparent about its social and environmental impact.
4. This luxury brand actively contributes to social causes or community welfare.
5. This luxury brand demonstrates a strong commitment to corporate social responsibility.

Luxury Purchase Intention (LPI) - (Adapted from Dodds et al., 1991; Zeithaml et al., 1996)

1. I would likely consider purchasing a product from this luxury brand.
2. I intend to buy a product from this luxury brand in the near future.
3. It is highly probable that I will purchase a product from this luxury brand.

Part 2: Demographic Information

Instructions: Please select the option that best describes you.

1. **What is your age?** (Open-ended numerical input, e.g., "35")
 - (For analysis, this will be used to assign to Gen X, Millennials, or Gen Z.)
2. **What is your gender?**
 - Male
 - Female
 - Non-binary
 - Prefer not to say

3. **What is the highest level of education you have completed?**
 - High School Diploma or GED
 - Some College, No Degree
 - Associate's Degree
 - Bachelor's Degree
 - Master's Degree
 - Doctoral Degree
 - Other (please specify)
4. **Which of the following best describes your annual household income before taxes?**
 - Under \$25,000
 - \$25,000 - \$49,999
 - \$50,000 - \$74,999
 - \$75,000 - \$99,999
 - \$100,000 - \$149,999
 - \$150,000 - \$199,999
 - \$200,000 or more