Luxury: where next?

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Abstract

The luxury industry is undergoing a complex evolution in response to increasingly polarized societies, multicultural audiences, and frantically digitized marketplaces, balancing tradition with innovation and exclusivity with accessibility. As luxury consumption shifts from conspicuous to inconspicuous, from offline to online, and from traditional goods to experiences, consumer expectations are becoming increasingly nuanced. Addressing these new dynamic trends, this article provides insights into the current luxury research within marketing. We identify three major thematic areas shaping the field: the emergence of luxury identities, the integration of sustainability and ESG, and the acceleration of digital transformation. Each theme is enriched by sub-themes addressing current and future challenges. We offer a forward-looking research agenda that highlights significant theoretical

and practical implications for luxury brand management in modern marketplaces, which are simultaneously democratized yet paradoxically exclusive. These multifaceted directions are aimed to foster the evolution of luxury research in alignment with societal and technological advancements.

1. Introduction: Luxury in Transition

Luxury has historically embodied a duality of desire and critique, reflecting both aspirational values and societal ambivalence (Berry, 1994; Dubois, Jung and Ordabayeva, 2021). While luxury goods remain symbols of quality and exclusivity, societal and technological shifts are challenging what luxury consumption means and fueling debate around issues like luxury's accessibility, sustainability, and ethics. Consequently, the academic interest in luxury has surged in recent years. This has resulted in a substantial body of research that examines luxury through multiple perspectives, including consumer psychology, economic signaling, and cultural anthropology. These studies encompass diverse contexts, from services and hospitality to experiences and social media, to name a few (for a review see: Ko, Costello and Taylor, 2019; Creevy, Coughlan and O'Connor, 2022; Jain et al., 2023).

Luxury research has grown considerably in recent years. Scholars in marketing, consumer research, and psychology have studied various facets of luxury. For example, psychological research has examined both the sense of inauthenticity and imposter syndrome linked to luxury consumption (Goor et al., 2020), as well as how a passion for luxury can strengthen perceptions of authenticity (Jung, Chen, and Yap, 2024). Additionally, studies have investigated the impact of self-objectification on luxury consumption (Sun, Guo and Qian, 2024), and how luxury serves as a mate screening motive for women (Chen, Wang and

Oradbayeva, 2023). Contextual factors have also been considered. For instance, colder temperatures can enhance the perceived status signalling and luxuriousness of a product (Park and Hadi, 2020), while cuteness can strengthen luxury brand equity through perceived uniqueness (Li and Eastman, 2024). Exposure to art, conversely, may reduce desire for luxury goods (Wang, Xu and Zhang, 2023). Scholars also suggest that customization can backfire for luxury brands (Moreau et al., 2020). Other studies highlighted how luxury aligns with sustainability due to its durability and long-lasting value (Sun, Bellezza and Paharia, 2021) and the role of luxury brands as enrichment curators (Dion, Pavlyuchenko and Prokopec, 2025).

Recent work has examined the tension between luxury's exclusivity and the democratizing pressures of globalization (Kapferer and Vallette-Florence, 2018; Rosendo-Rios and Shukla, 2023), as well as the rapid pace of technology integration (e.g., Bao et al., 2024; Jung and Dubois, 2023). In the digital realm, scholars have explored NFT luxury brand marketing in the metaverse (Sung, Kwon and Sohn, 2023), word of mouth marketing of luxury products using artificial intelligence (AI) and machine learning to tailor dynamic content creation (Oc et al., 2023), as well as how chatbot-led service failure recovery impacts customer loyalty in luxury fashion (Ozuem et al., 2024).

Other studies have explored the multi-faceted components of luxury (Michel, Stathopoulou and Valette-Florence, 2022) and integrated diverse drivers of luxury consumption, such as status signaling and self-concept enhancement (Dubois, 2020), highlighting how luxury's allure varies across contexts and consumer segments (Shukla et al., 2022). Collectively, these perspectives reflect the field's response to the evolving dimensions of luxury, demonstrating that luxury today is shaped not only by traditional notions of wealth and status but also by broader societal values.

Academic research on the luxury industry is growing rapidly, driven by its complex, evolving nature and the unique consumer dynamics it elicits. Calls for further research are pervasive (Christodoulides and Wiedmann, 2022; Michel, Stathopoulou and Valette-Florence, 2022), underscoring the need to address unresolved questions and emerging phenomena within this domain. Even luxury's definition itself is subject to constant reinterpretation (see Ko et al., 2019).

For instance, researchers are challenging the siloed definitions of luxury that concentrate on generic, trait and experiential aspects (Shukla, 2020). Instead, they advocate for a broader perspective that transcends conventional characteristics (e.g., high price, quality, rarity, etc.). Ongoing debate persists regarding the meaning of luxury in light of global market shifts, consumer digitalization, and increasing environmental consciousness (Dubois et al., 2021). At the same time, consumer engagement with luxury is transforming. For instance, digital commerce of luxury brands has gained significant market share in recent years, especially propelled by the pandemic and post-pandemic consumption trends (Yltävä, 2025). Concurrently, attitudes toward luxury consumption are changing as consumers become increasingly influenced by critical issues, including climate change and sustainability (Sun, Bellezza and Paharia, 2021).

Technological advancements have introduced additional layers to the luxury landscape, enhancing its complexity. For instance, the rise of e-commerce and digital branding, alongside emerging technologies such as the metaverse, have altered the traditional luxury experience (D'Arpizio et al., 2023). According to D'Arpizio et al. (2023), the luxury industry has experienced unprecedented growth, reaching a value of 353€ billion in 2022, with estimates projecting market expansion to a range between 540€ billion and 580€ billion by 2030. This necessitates luxury brands to innovate while retaining their unique value propositions. Digital platforms facilitate exceptional consumer-brand interactions, but they

also democratize access to luxury, thereby challenging the exclusivity traditionally associated with luxury shopping experiences.

These challenges have heightened the industry's caution toward online channels, as some analysts predict a decline in e-commerce market share within the luxury sector, marked by the sale or consolidation of prominent websites (Vogue, 2024). Furthermore, social media and digital influencers are redefining how luxury is perceived and consumed (Creevey et al., 2022). Social platforms now play a key role in constructing luxury identity and facilitating moments of luxury engagement, particularly among younger consumers. Artificial Intelligence further reshapes luxury by enabling highly personalized experiences, enhancing consumer insights through predictive analytics, and facilitating interactions that preserve exclusivity.

Parallel to digitalization, sustainability has become a critical theme in luxury research (Athwal et al., 2019). Luxury brands are increasingly expected to integrate eco-conscious practices into their business models, partly driven by growing consumer demand for ethical products. This shift is reflected in the rise of sustainable luxury brands and circular consumption models, including rental and second-hand markets (Pantano and Stylos, 2020; Turunen, Cervellon and Carey, 2020). However, many consumers remain ambivalent towards these sustainability efforts (Kapferer and Michaut, 2017). At the core lies the tension between luxury's inherent values of exclusivity and opulence and the societal pressure for responsible consumption.

This article offers new perspectives on how scholars may explore this challenging luxury landscape, particularly as traditional and digital realms converge. As personal luxury goods have witnessed unprecedented growth in global markets while also facing recent struggles, there is a need to reframe luxury as a construct that is both aspirational and attainable, serving diverse consumer goals from social connectivity to identity signaling. We

address several of these pressing questions, offering insights into the evolving role of luxury in contemporary society. The forward-looking research agenda offered in this article spans modern luxury consumers' motivations, the implications of customization, and the intersection of digital and traditional brand narratives, novel societal engagement, and the changing value dynamics. In doing so, it contributes to a broader understanding of luxury as a dynamic and multifaceted space at the heart of today's marketplaces.

This article delineates three converging research themes that define the future of the luxury domain. The first theme focuses on the roles of identity, cultural evolution, and socio-political engagement in the industry, urging a departure from conventional, dominant, and established Western-centric paradigms toward more inclusive and pluralistic ones. The second theme explores the integration of sustainability, ethics, and ESG principles, highlighting tensions between luxury's exclusivity and the contemporary demand for responsible consumption. It also addresses other challenges, such as ethical sourcing and supply chain transparency. The third one encompasses luxury's digital transformation and market dynamics, emphasizing digital-physical integration, the paradox of mass customization, and the dual effects of counterfeiting alongside the rising second-hand market. These developments are reshaping current perceptions of authenticity and value. Collectively, these themes provide a comprehensive roadmap for future inquiry and provide valuable guidance for both academic research and managerial strategies in the evolving luxury landscape.

The remainder of this article is structured as follows. In the next section, we offer an overview of the contributing articles in this special section. We then provide the conceptual framework based on the review of the current luxury literature captured in the introduction, followed by an elaboration of the three themes and their associated sub-themes. Finally, we

conclude by offering a discussion of future avenues emerging from our work that may help to further propel the field of luxury marketing.

2. Overview of Articles in the Special Section on Luxury

This section briefly synthesizes the five articles included in this issue, each grouped by their distinctive thematic contributions to luxury consumption dynamics.

2.1 Inconspicuous Minimalism and Quiet Luxury

The first article, '*What, No Logos? Why Some Minimalists Prefer Quiet Luxury*', by Taylor, Borenstein and Pangarkar (2025) explores a consumer segment that prioritizes subtlety over overt branding. Through four experimental studies, the authors show that inconspicuous minimalists—those who favor high-quality, non-logoed products—are motivated by a desire for social connection rather than conspicuous consumption. This article highlights a shift in luxury consumption motivations toward quieter expressions of identity, where minimalism and luxury intersect through shared cultural capital and understated social connections. This represents a critical departure from traditional Veblenian theories of luxury, emphasizing social alignment with knowledgeable elites over broader status signaling.

2.2 Social Dynamics in Customization: Name Personalization and Social Cost

As luxury brands increasingly offer customization options, the second article by O'Rourke et al. (2025), '*Social Dynamics of Luxury Customization: The Unique Impact of Name Personalization*', provides an examination of the social implications of name personalization. Findings suggest that adding a personal name to luxury items raises concerns about social perception and may decrease perceived warmth due to apprehensions over impression management. Name personalization amplifies fears of social cost, particularly among

consumers with lower social-adjustive motives. This research underscores the dual nature of customization in luxury—while potentially enhancing individual attachment, personalization can also carry unintended social penalties that may detract from the item's perceived exclusivity and warmth.

2.3 Can Brand Activism Benefit Luxury Brands?

In the article titled "*Can Brand Activism Benefit Luxury Brands*?", Khalifa and Osburg (2025) investigate how luxury brands' public stances on divisive socio-political issues (e.g., the Ukraine–Russia conflict, abortion rights, and the "Black Lives Matter" movement) can serve as a novel marketing communication strategy. Through a series of studies (including a pre-test and four empirical investigations), the authors demonstrate that when luxury brands engage in activism, they can enhance consumer purchase intentions and brand evaluations by increasing perceptions of self-expressive value and overall luxury brand perception. Importantly, the research reveals that these positive effects are contingent on consumer political identity—liberal consumers are more likely to respond favorably to such activism, whereas conservative consumers do not exhibit similar benefits.

2.4 Virtual Influencers and Brand Heritage Narratives: Temporal Alignment in Digital Luxury

In their article titled '*The Virtual New or the Real Old? The Effect of Temporal Alignment Between Influencer Virtuality and Brand Heritage Narration on Consumers' Luxury Consumption*', Mo and Wang (2025) investigate how influencer type and heritage narrative impact consumer responses to luxury brands. Through studies of middle-income Chinese consumers, the research demonstrates that temporal alignment, matching virtual influencers with modern narratives or human influencers with historical narratives, strengthens consumer

perceptions of brand credibility, attachment, and purchase intent. The findings suggest that leveraging temporal congruence between digital figures and brand heritage can be a powerful tool in luxury marketing, as brands balance digital innovation with their timeless identities.

2.5 Synthesizing Luxury Value Perceptions: Meta-Analysis of Dimensions and Outcomes

The final article, '*Luxury Value Perceptions and Consumer Outcomes: A Meta-Analysis*', by Akarsu, Shaikh and Maity (2025) leverages findings from 64 studies to clarify the relationship between luxury value perceptions and consumer behaviors. Using a meta-analytic approach, the authors examine six key dimensions of luxury value, offering a comprehensive framework for understanding how these dimensions influence affective, cognitive, and behavioral outcomes. The analysis reveals both gaps and consistencies across studies, highlighting underexplored relationships that hold potential for future inquiry. This article offers a holistic view of luxury value perceptions, suggesting that tailored marketing strategies can address diverse consumer motivations and enhance brand relevance across demographics.

3. Luxury Research: Where Next?

The papers in this special section address several significant challenges faced by the luxury industry. Complementing them, this section outlines several promising research avenues for future inquiry, as illustrated in Figure 1.
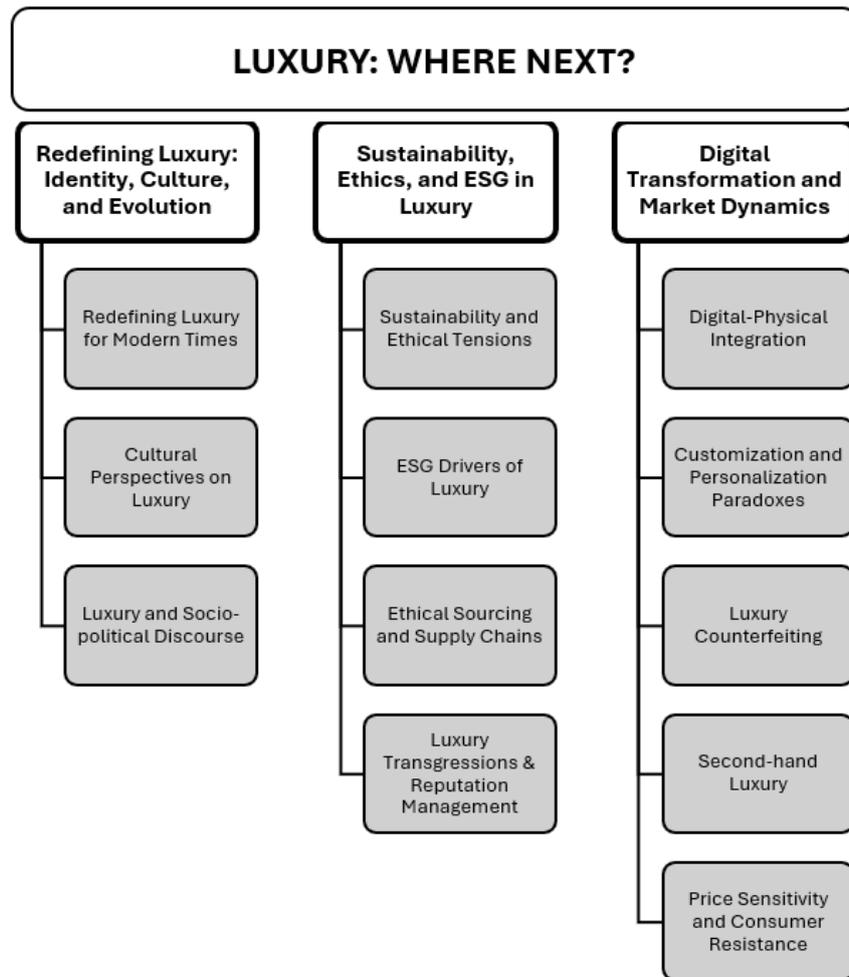
Figure 1: Luxury research future directions

3.1 Redefining Luxury: Identity, Culture, and Evolution

Luxury has traditionally been associated with exclusivity, heritage, and social distinction. However, in an era of hyper-globalization, shifting consumer identities, and evolving cultural values, traditional notions of luxury are undergoing a transformation. This section explores how luxury is adapting to these changes, extending beyond Western paradigms to embrace other diverse historical and cultural influences. First, we argue that the modern definition of luxury, with its core attributes of exclusivity, authenticity, and scarcity, is increasingly being challenged by cultural variations in defining the main luxury attributes. We also highlight the

growing involvement of previously discreet luxury brands in current socio-political debates. Collectively, these perspectives offer insights into the evolving identity of luxury within a global landscape and raise questions for a path forward.

3.1.1 Redefining Luxury for Modern Times: Historically reserved for the elite, luxury has experienced its most rapid growth in recent decades among the aspirational classes. While luxury continues to function as a symbol of status, its defining characteristics—exclusivity, authenticity, and scarcity (Ko et al., 2019)—are increasingly being scrutinized. Additionally, the contemporary understanding of luxury remains heavily rooted in its Western interpretation (McNeil and Riello, 2016). Ancient civilizations, such as those of China, India, and Egypt, offer rich and diverse perspectives on luxury that have yet to be fully integrated into modern discourse (Shukla, 2020). Recent comparative research demonstrates the need for integrating a cultural lens that underpins the value dimensions and sub-dimensions associated with luxury (Hennigs et al., 2012; Kapferer and Valette-Florence, 2021). For example, employing the Confucian philosophy-based value system in China or a Vedic philosophy framework in India may deliver significantly different and more relevant understanding of luxury consumption in these markets. By exploring these diverse historical and cultural viewpoints, we can redefine luxury for a globalized world, moving beyond narrow Western frameworks to embrace a more inclusive and nuanced understanding.

3.1.2 Cultural Perspectives on Luxury: The importance of how cultural differences drive luxury spending is evident around the world (Kapferer and Valette-Florence, 2021). There is a difference between developed nations (such as the United States, many European countries, or Japan) and those that are still developing economically (such as China, Brazil, India, and Russia). In developed nations, ideas about what constitutes luxury are often inherited through

generations. Younger consumers learn from their parents what qualifies as luxurious and who the key market players are, such as Dom Perignon or Krug champagne, Hermès crocodile bags, and Cartier watches. Since the early 1990s, the luxury industry has experienced remarkable continuous growth (Bain & Co., 2024) fueled by waves of new affluent consumers from fast-growing countries. Newly affluent individuals may not have extensive knowledge of luxury, but they seek social recognition (Hennigs et al., 2012), with their achievements needing to be visible and shared. In parts of Asia, showing off success is a common practice (Shukla and Purani, 2012), and a high price is associated with pride. This perspective also explains the rise in counterfeit goods across Asia (Song et al., 2021). These new buyers prefer well-known brands because they have no prior cultural background and see small, niche brands as lacking desired social benefits.

Luxury has become a global arena for big brands. As consumers become more experienced, subtler luxury will continue to increase its market share. Additionally, a study by Kapferer and Valette-Florence (2022b) shows that high quality, prestige, and high cost are the main characteristics that define luxury brands in different cultures. However, cultural differences affect the relative weight of each of these attributes, suggesting that luxury brands should tailor their marketing approaches to these cultural differences. Currently, most studies on luxury focus on global brands (e.g., Moreau et al., 2020; Sun et al., 2021). Yet, luxury is inherently contextual, with its meaning varying across markets, nations, regions, and even individuals, depending on socio-economic development (Ko et al., 2019). In China, for example, luxury brands need to be trendy. In Japan, a brand's respect and rich history must characterize its luxury status. Shukla and Rosendo-Rios (2021) identify within-country differences as well in large emerging markets. As a result, future research should aim to determine which luxury characteristics are universally recognized and which are unique to specific countries. Additionally, there may be international groups with similar rankings for

the characteristics that define luxury, while certain countries in Latin America or Asia may place different importance on the same luxury characteristics.

3.1.3 Luxury and Socio-Political Discourse: Luxury brands have increasingly embraced activism as a strategy to align with evolving consumer values and social expectations. However, the inherent exclusivity of luxury raises questions about the authenticity of such efforts. Activism refers to taking a stand on contentious sociopolitical issues, enabling firms to signal their core values and communicate their commitment to create a positive impact (Moorman, 2020). While earlier research suggests silence as the most appropriate strategy for brands (Bhagwat et al., 2020), recent research highlights that brand activism, especially among global brands, can enhance consumer preference, particularly when brands originate from countries with negative perceptions (Shukla et al., 2025). Additionally, luxury brands must consider cultural variations, as perceptions of activism differ across global markets.

Western consumers may reward activist luxury brands, while emerging market consumers may prioritize status signaling over social impact. From a signaling theory perspective, luxury activism may function as a way for consumers to display not only wealth and conspicuousness, but also moral and political alignment. Yet, the signaling value of activism is context-dependent, and risks being perceived as inauthentic or performative when misaligned with the brand's core identity. At the same time, following legitimacy theory, luxury brands may engage in activism to maintain or restore social legitimacy in the face of growing expectations for ethical responsibility. In this sense, activism serves not only as a communication tool but as a strategic response to norms and stakeholders' perceptions. The challenge lies in whether activism dilutes or enhances the prestige of luxury, particularly when it involves issues that disrupt traditional notions of wealth and privilege. Future research should explore how luxury brands can integrate activism without compromising

their perceived rarity and whether activism-driven luxury signals a new form of social distinction. For instance, can the adoption of activist stances by luxury brands reshape the symbolic value of luxury and create a new form of status signaling, where it becomes a symbol of distinction? How does luxury activism vary across cultural contexts -do some markets embrace it while others reject it as performative? Are affluent consumers more or less receptive to activism-driven luxury branding compared to aspirational consumers? These and similar questions merit further exploration at a time when social movements and changing identities sway consumer choices of style and symbols (Bellet, Dubois and Godart 2024).

3.2 Sustainability, Ethics, and ESG in Luxury

Luxury is often seen as conflicting with sustainability (Athwal et al., 2019). The luxury industry is increasingly facing the challenge of integrating sustainability, ethical practices, and ESG (Environmental, Social, and Governance) principles while maintaining its core values of exclusivity, heritage, and craftmanship. Consumers, especially younger generations, demand greater transparency and responsible practices. Thus, the paradox of sustainability in luxury and the role of ESG factors in shaping brand equity and consumer expectations, particularly regarding generational differences, needs further scrutiny. Increasing focus on ESG is also driven by governance initiatives such as ethical sourcing and supply chain transparency, which remain understudied. We further discuss how luxury brands approach transgressions, such as ethical controversies and reputational risks, and their impact on consumer perceptions in this section.

3.2.1 Sustainability and Ethical Tensions: Luxury and sustainability can be perceived as conflicting in several dimensions, including quality, rarity, and resource exploitation.

Consequently, luxury brands that support sustainability may be perceived as contradicting established norms. The way the recycled feature is visually recognized (or not) (Fournaise et al., 2023) shapes how this tension is viewed (as negative and shocking or positive and creative). This perceived dichotomy presents both advantages and disadvantages for consumers, thereby affecting the benefits and risks for brands and either strengthening or undermining the consumer-brand relationship. Luxury brands, therefore, face the challenge of mitigating the perceived conflict between luxury and sustainability. One approach could consist of creating an authentic message based on the brand's history. In this scenario, luxury brands can use their heritage to enhance the credibility of their upcycling efforts. It would make sense for them to introduce upcycled items inspired by their classic pieces or even create new versions of famous models using recycled materials. One example is Hermès, which recently launched its first mushroom leather bag made from hemp and corn. In addition, it would be useful to investigate whether certain brands are more inclined to offer sustainable innovations and whether younger luxury consumers are more attuned to these sustainable changes compared to others.

3.2.2 ESG Drivers of Luxury: The luxury industry should increasingly prioritize ESG initiatives to maintain long-term consumer trust, brand equity, and financial performance. Consumers, particularly younger generations, are demanding more from luxury brands in terms of ethical practices and environmental responsibility, influencing not only their purchasing decisions but also long-term brand loyalty (Michel et al., 2022). Luxury brands, known for exclusivity and craftsmanship, can differentiate themselves by integrating sustainability into their value propositions through responsible sourcing, circular economy models, and carbon-neutral commitments. However, the consequences of these initiatives on consumer evaluations and willingness to pay for eco-conscious sustainable luxury remain

underexplored, particularly across consumer segments and cultural context. Future research could investigate whether and how consumers make tradeoffs in their decision-making, as well as how these differ across generational segments (e.g., whether and how environmental messaging requires generational customization). More broadly, future research should focus on understanding how ESG initiatives influence consumer perceptions of luxury value and differentiation, especially as emerging markets and digital technological advancements continue to shift global luxury dynamics.

While much attention has focused on the environmental and social dimensions of ESG, the governance remains comparatively underexamined in the luxury context. Robust governance underpins the very essence of brand authenticity, sustained trust, and the preservation of long-term value, moving beyond mere compliance to become a strategic differentiator. Luxury brands face various governance challenges: safeguarding ethical sourcing, managing complex supply chains, and ensuring accountability across brand-owned and outsourced operations. These challenges are amplified by the imperative to protect brand heritage, manage the welfare and intellectual property within artisanal networks, and navigate the 'transparency paradox' wherein balancing stakeholder demands for openness clashes with maintaining brand mystique and exclusivity. Furthermore, the rise of digital luxury and unique asset classes like NFTs introduces novel governance frontiers concerning authenticity, ownership, and ethical technological deployment. Good governance in luxury requires proactive engagement with a range of stakeholders, from customers and employees to regulators and investors. Future research could look into how governance structures or control mechanisms, such as, the inclusion of independence board members, transparent reporting practices, or third-party certifications, may affect consumer trust and perceptions of luxury legitimacy. Investigating how varying ownership models (e.g., family-controlled versus publicly-listed) influence long-term ESG commitment and resilience, and how

governance frameworks can proactively address the ethics of emerging technologies within luxury, also represent vital areas for deeper academic inquiry.

3.2.3 Ethical Sourcing and Supply Chains: Luxury brands can uphold the integrity and excellence of their products, safeguard their brand image, and contribute to a more sustainable future by sourcing eco-friendly materials, complying with ethical and environmental regulations, and ensuring transparency and traceability throughout their supply chains. Future research could explore how consumers perceive luxury brands that prioritize ethical sourcing. The role of supply chain transparency, particularly within the luxury leather goods industry, and its impact on brand trust and equity warrants further examination. Additionally, it is important to consider whether transparency can increase supply chain vulnerability through heightened scrutiny by pressure groups. Luxury researchers could examine the effectiveness of emerging technologies, such as blockchain and generative AI in ensuring traceability in luxury supply chains and their role in reinforcing consumer confidence.

3.2.4 Luxury Transgressions and Reputation Management: Luxury brands often rely on exclusivity, heritage, and aspirational values to maintain their appeal. However, there is a growing interest in how luxury brands navigate transgressions—situations where brands engage in behaviors that challenge societal norms or ethical standards (e.g., controversial marketing campaigns, celebrity scandals, or unethical practices). How do luxury brands recover from transgressions, and what strategies are most effective in maintaining consumer loyalty? How do consumers reconcile their desire for luxury with brand transgressions? Future research could examine, for instance, whether luxury brands that openly acknowledge transgressions and align their recovery strategies with their core values (e.g., authenticity,

craftsmanship) would experience faster recovery in brand equity compared to brands that remain silent or deflect blame. Future research should also explore how luxury brands can leverage transgressions as a form of "edgy" marketing to appeal to younger consumers and investigate the role of social media in amplifying or mitigating the impact of luxury brand transgressions.

3.3 Digital Transformation and Market Dynamics

This final theme examines the impact of digital innovation, market dynamics, and evolving consumer behaviors on the luxury industry. Digitalization modifies traditional concepts of luxury by increasing accessibility and redefining how consumers engage with these brands. The combination of digital and physical experiences, along with the customization paradox that enhances luxury appeal yet raises concerns over privacy and data security, requires further analysis. Counterfeiting, especially of luxury goods, is considered the crime of the 21st century, with severe negative consequences for firms and consumers (Amaral and Loken, 2016). Digital transformation has also expanded the market for second-hand luxury goods from a local to a global scale, which affects brand perception. In the past few years, luxury brand prices have increased rapidly, leading to consumer resistance to escalating luxury prices (Financial Times, 2024). These issues provide a critical framework for understanding how digitalization and market forces are reshaping the luxury industry.

3.3.1 Digital-Physical Integration: Digital-physical integration (phygital) in luxury brands combines the tangible allure of exclusive retail with digital innovation. By leveraging advanced technologies such as augmented reality and AI-driven insights, luxury brands can seamlessly bridge online and offline environments. This hybrid approach enhances brand narratives, reinforces heritage, and adapts to evolving consumer trends, ultimately sustaining

a competitive advantage in a dynamic marketplace. However, numerous challenges remain unaddressed. For instance, how do luxury brands maintain their aura of exclusivity and heritage while utilizing digital platforms to expand their reach? What strategies most effectively balance accessibility and exclusivity? Investigating how different consumer segments respond to these combinations can help brands effectively navigate the complex terrain of temporal alignment in brand storytelling, particularly as digital engagement continues to shape luxury consumption.

3.3.2 Customization and Personalization Paradoxes: The increasing trend of customization and personalization within the luxury industry (Moreau et al., 2020) necessitates a more comprehensive examination of how personalization affects consumer perceptions of uniqueness versus social cost. Further research could investigate specific types of customization and consumer segments that view customization as enhancing the uniqueness of luxury without incurring social penalties. Researchers also posit that luxury is associated with the handmade effect (Fuchs et al., 2015), and the integration of technology devalues the emotional value linked to luxury items (Xu and Mehta, 2022). Consequently, the role of AI-driven hyper-personalization on traditional luxury exclusivity perceptions represents a promising area for future research. This hyper-personalization, however, comes with potential privacy concerns, presenting an intriguing paradox for future research: how consumers navigate the trade-off between privacy and enhanced personalization in luxury experiences. Exploring this tension between data-driven exclusivity and personal privacy could provide valuable insights for luxury brands aiming to reconcile innovation with consumer trust and brand equity.

3.3.3 Luxury Counterfeiting: Counterfeiting presents an increasingly critical challenge in the luxury industry, leading to significant economic and reputational costs. While research has explored the economic impact of counterfeiting, less is known about its psychological effects on consumers and brands. Some studies suggest negative effects (Amaral and Loken, 2016), while others indicate an increase in brand appeal (Romani, Gistri and Pace, 2012). Thus, it is crucial to determine whether counterfeits dilute brand equity or inadvertently increase desirability by making the authentic product more aspirational. Future research could explore whether and how the presence of counterfeits will have a dual effect on luxury brands: decreasing perceived exclusivity among existing customers while increasing aspirational value among potential customers who cannot afford the authentic product. Additionally, future efforts should assess the effectiveness of anti-counterfeiting technologies (e.g., blockchain, NFC chips) in restoring consumer trust and reinforcing brand equity.

3.3.4 Second-Hand Luxury: The second-hand luxury market is experiencing significant growth, outpacing the traditional luxury goods market (Bain & Co., 2025). This burgeoning segment reinforces brand sustainability while catering to evolving consumer values. Luxury consumers increasingly view authenticated pre-owned items as valuable investments, which enhances brand accessibility and longevity. This phenomenon not only supports circular economy principles but also rejuvenates brand narratives within the competitive luxury landscape. Consequently, many luxury brands are considering launching their own second-hand platforms or creating strategic partnerships with existing resale platforms to implement tighter controls of their products. Future research should explore how such initiatives might affect consumers' perceptions of exclusivity and value across cultures and generational segments. Additionally, examining the profitability of these initiatives for luxury brands, as

they potentially cannibalize their own new products, remains an area needing further exploration.

3.3.5 Price Sensitivity and Consumer Resistance: In the luxury industry, recent price increases have been more aggressive than ever before (Financial Times, 2024), with brands claiming the strategic role of pricing to reinforce exclusivity and desirability, particularly in an era where the democratization of luxury is prevalent. Certainly, external factors such as inflation, production cost, and certain restrictions to distribution channels contribute to these increases. However, recent data suggests a level of consumer resistance to such substantial price hikes (Bain & Co., 2025). Understanding the psychological threshold at which these increases trigger consumer resistance remains largely unexplored, particularly across different cultural contexts and emerging luxury markets. Balabanis and Stathopoulou (2021) demonstrate that desire for social status and public self-consciousness play distinctive roles in shaping consumers' willingness to pay higher prices for luxury products, depending on the type of the product.

Future research should examine several critical dimensions of this phenomenon of price acceptability in the luxury context across cultures and different luxury categories (e.g., fashion, jewelry, automotive, hospitality, etc.). While several recent studies have examined cross-cultural differences in luxury consumption, differences in luxury signaling between urban and rural consumers, or across income strata, may reveal divergent meanings and thresholds of perceived value (Shukla & Rosendo-Rios, 2021). Intra-cultural variations, particularly within large markets such as the USA, China, India, and France, among others required deeper exploration. For instance, the interpretation and social acceptability of conspicuous versus subtle luxury signals might vary significantly between established old money enclaves and newly affluent groups within the same city or region. Moreover,

generational cohorts or distinct professional communities within a country may develop unique semiotics around luxury, impacting how specific brands or styles are decoded as signals of status, taste, or belonging. Intra-cultural variations, particularly within large markets such as the USA, China, India, and France, among others required deeper exploration.

In Western countries, the price of luxury items is often seen as unreasonable and unnecessary. Conversely, this perspective is less common in Asian societies, especially in rapidly developing nations, which celebrate personal achievement and encourage sharing that success with others. Here, displaying wealth is seen as something to be proud of, not something to be ashamed of. Furthermore, the cost distinctly separates those who can enjoy luxury goods from those who must make financial compromises to obtain them, leading some individuals to incur debt just to satisfy their desire for luxury (Carrigan et al., 2013; Kapferer, 2012). This type of overspending can sometimes cause buyers to feel guilty because it represents inequality, especially in industries such as tourism, where lavish hotels are located near communities living in severe poverty (Amatulli et al., 2020; Kapferer and Michaut, 2015). According to Kapferer and Valette-Florence (2022a), the perception of social inequality, coupled with the abandonment of personal savings goals, is a strong predictor of guilt when purchasing luxury items, regardless of one's financial status. Indeed, some consumers may view the purchase of luxury items as an unfair advantage (Goor et al., 2020). Interestingly, in Japan, Brazil, the US, and France, the desire for pleasure when buying luxury items can reduce feelings of guilt. This is less prevalent in Germany and does not affect consumers in China. The desire for personal success and self-accomplishment tends to reduce guilt in the US and China, as luxury purchases can be seen as a reward for hard work and a way to gain recognition for achievement.

Both South American and African luxury markets remain underrepresented, despite their growing relevance. Future studies should explore how consumers in these markets perceive the emotional and social implication of luxury consumption, and whether it mirrors or diverges from Western and Asian models. Understanding these regions is vital, as unique historical trajectories, diverse indigenous cultures, colonial legacies, and distinct socio-economic stratification likely shape local interpretations of luxury, status signaling, and aspirational consumption in ways not fully captured by current models. For example, research could examine the rise of domestic luxury brands within these continents, the specific role of luxury in navigating post-colonial identities, the influence of diaspora communities on luxury trends, or how digital platforms are uniquely shaping access and desire for luxury goods among burgeoning middle and upper classes in African and South American urban centers. Altogether, future research should broaden its geographical and cultural scope, paying closer attention into intra-country diversity and underexamined regions to fully understand how consumer economic, social and moral considerations shape consumer responses to luxury pricing. For instance, they could look across cultures to explore the individual and social elements that contribute to feelings of shame and guilt and further investigate whether this trend will continue or whether the differences between different cultures will diminish over time.

Table 1 synthesizes the extant debate and highlights some of the most critical questions that need to be addressed to propel forward research within the luxury domain.

Table 1: Future research directions

Themes	Potential research questions
Redefining Luxury: Identity, Culture, and Evolution	• What does luxury mean in a globalized, culturally diverse world, and how is its identity shaped by historical and cultural considerations?

	• Which luxury characteristics are universally recognized and which are unique to specific countries? • Can luxury activism create a new form of status signaling, thereby becoming a symbol of distinction? • How does luxury activism vary cross-culturally?
Sustainability, Ethics, and ESG in Luxury	• How do luxury brands manage the perceived tension between exclusivity and sustainability? • Do consumers perceive sustainable luxury as more or less authentic compared to traditional luxury? • What role do ESG initiatives play in shaping luxury brand equity and long-term desirability? • Does prioritizing ethical practices conflict with exclusivity, or does it challenge traditional notions of scarcity and prestige? • Can emerging technologies like AI enhance supply chain traceability while preserving the exclusivity of luxury? • How do consumers reconcile their desire for luxury with brand transgressions? • What optimal routes exist for luxury brands to recover from transgressions, and what strategies are most effective in maintaining consumer engagement?
Digital Transformation and Market Dynamics	• What are the most effective strategies for balancing accessibility and exclusivity in digital-physical luxury experiences? • How does AI personalization influence consumer perceptions of luxury authenticity and uniqueness? • What types of customizations enhance luxury perceptions without reducing exclusivity, and do consumer responses vary across cultures? • How do privacy concerns affect consumer willingness to engage in personalized luxury experiences?

	- How effective are anti-counterfeiting technologies in restoring consumer trust and brand exclusivity? - To what extent do counterfeits dilute brand equity, or do they inadvertently increase desirability by making the authentic product more aspirational? - Do second-hand luxury initiatives affect brand desirability differently across cultures and generations? - Can luxury brands sustain aggressive price increases without alienating traditional and aspirational consumers?

4. Conclusion

This special contribution sheds light on the dynamic and multifaceted landscape of luxury marketing, driven by shifting consumer identities, rapid technological innovation, and evolving socio-cultural values. By synthesizing insights across diverse research domains, this issue not only advances our theoretical understanding of luxury but also lays the groundwork for a future where aspiration and sustainability, exclusivity, and accessibility, and tradition and innovation coexist.

For luxury brand managers, the insights discussed in this article highlight the need for strategic adaptability across a rapidly changing luxury landscape. Firstly, regarding redefining luxury, managers must adapt to shifting consumer identities and cultural perspectives and navigate the complexities of engaging in sociopolitical discourse. Secondly, concerning sustainability, ethics, and ESG, authentic integration is key. This involves addressing ethical tensions in sourcing and supply chains, managing potential transgressions proactively, and leveraging genuine ESG commitments as core value drivers, not just compliance measures. Thirdly, navigating digital transformation and market dynamics requires mastering seamless digital-physical integration, managing the paradoxes of personalization while maintaining exclusivity, and adjusting pricing and distribution strategies in light of challenges like

counterfeiting, the burgeoning second-hand market, and evolving price sensitivities. A holistic strategy, informed by these interconnected pillars, is essential for maintaining brand desirability and resilience.

We extend our gratitude to the authors, reviewers, and contributors who have made this special section possible. It is our hope that the research presented in this collection of work will inspire further scholarly inquiry and serve as a springboard for addressing the complexities and opportunities within the transformative landscape of luxury marketing.

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