
Is it financially worthwhile for luxury companies to embrace sustainability?

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Abstract

Research on the link between luxury and sustainable development has proliferated in recent years. However, most of it remains rooted in the discipline of marketing. To our knowledge, no research has yet explored the question of the impact of a commitment to sustainability on the financial performance of companies in this sector. Our research, by adopting a longitudinal approach and by mobilizing financial and extra-financial data from eight luxury companies, provides some initial answers to this question. The results show a negative relationship, in both directions, between sustainability and financial performance. A difference can nevertheless be noted when we differentiate between social and environmental actions. While the impact of the latter on financial performance is negative, some of the social actions have a positive impact. Based on these results, some managerial recommendations have been proposed.

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