Reevaluating the Sustainability-Based View: Assessing Sustainability Through the Luxury Lens

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Abstract
Many companies – until recently – viewed and communicated sustainability as a strategic priority. The “sustainability view” posits that responsible practices will become commonplace. However, implementation has proven challenging in the face of increasing economic pressures. Particularly, companies have struggled to establish profitable, holistic, company-wide programs as well as to expand sustainability efforts up and down the supply chain. Indeed, in lieu of tangible returns, many firms have quietly deemphasized sustainability. We propose that the “sustainability view” emerges as an impediment to widespread adoption in practice. To help restore sustainability’s lost momentum; we explore sustainability’s origins and dynamics through the luxury lens and awareness-motivation-capabilities (AMC) framework. We delineate four manifest motivations for sustainability initiatives and identify each motivation’s mechanisms, outcomes, and limitations. We thereby explicate how core and augmented value propositions impel or impede the AMC sequence and the capability development process. We help managers understand the nature of sustainability motivations so that they can assess their own readiness to pursue sustainability as a strategic priority. We likewise explain how the luxury myth and luxury trap can undermine sustainability initiatives and provide a roadmap to help managers avoid or escape these untenable strategies.