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Navigating the Circular Growth Paradox: Sustainability Initiatives, Rebound Effects & Organisational Tensions in Premium Fashion

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Abstract

The global fashion industry generates approximately 2.1 billion tonnes of greenhouse gas emissions annually, yet the circular business models and sustainability initiatives promoted as its primary environmental remedy have not translated into reductions in absolute production volumes or total consumption. This study investigates why through the lens of what we term the Circular Growth Paradox: the tendency for sustainability initiatives within the premium fashion segment to inadvertently facilitate, rather than reduce, total market footprints and absolute consumption.

The paradox is shown to operate as a self-reinforcing structural dynamic through two distinct but intertwined mechanisms. At the consumer level, circular options generate moral credit that functions as a psychological permission slip for continued or increased consumption. Crucially, the rebound effect identified in the empirical data is primarily localised within the circular market itself: consumers do not abandon new-product purchasing in favour of circular alternatives but add circular consumption on top of it, driven by the lower prices and reduced guilt that circular channels afford. At the organisational level, circular initiatives function as symbolic alibis that secure social licence without displacing the linear core business model. Performance metrics remain oriented towards sales volumes, sustainability functions are structurally marginalised within the organisation and circular revenues supplement rather than substitute primary production. Both actors, brands and consumers, point to circularity as evidence of sustainability action, collectively reducing the urgency for structural change and reproducing the conditions that prevent it.

The study employs a qualitative, multi-perspective research design drawing on twelve semi-structured interviews with industry practitioners, academic experts and premium fashion consumers, a preliminary consumer survey and observational fieldwork at the Global Fashion Summit 2026 in Copenhagen. Data were analysed through thematic analysis following the Gioia methodology, yielding five aggregate thematic dimensions: Sustainability, Profit, Organisational Structure and Brand Identity, the Circular Growth Paradox and Consumer Behaviour and Overconsumption.

The findings confirm that sustainability has become a marker of social status in the premium segment rather than a driver of behavioural restraint; that consumers are aware of and reflexively articulate the contradiction between their stated values and their purchasing habits, yet continue to act in ways that sustain the paradox; and that voluntary brand commitment to sustainability retreats structurally in the face of commercial pressure. A critical technical finding, that most garments, made from blended fibres, cannot be recycled at scale with existing infrastructure, further undermines the environmental promise of circular initiatives, rendering many recyclability claims technically premature. The study concludes that neither consumer demand nor voluntary corporate commitment constitutes a sufficient driver of structural change, and that external regulations, specifically the EU's Ecodesign for Sustainable Products Regulation and Extended Producer Responsibility framework, represents the most credible lever for genuine decoupling of growth from production volumes.

Keywords: circular economy, premium fashion, rebound effect, moral licensing, consumer cynicism, circular washing, organisational sustainability

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1. Introduction

There is something quietly radical about the act of getting dressed. Long before fashion became an industry, clothing was already a language that transcended their merely practical function. As Simona Segre Reinach observes, fashion rapidly became one of the most powerful tools through which individuals continuously put themselves on stage, a pervasive act of self-presentation embedded in the rhythms of everyday life (Segre Reinach, n.d.). Michel Maffesoli reinforces this perspective, arguing that aesthetics constitute the defining trait of contemporary society and that the desire to appear finds its most vivid expression in fashion (ibid., p. 17). Far from being a superficial concern, dress operates as a rich communicative language, one that signals identity, status, belonging and aspiration in ways that words often cannot. As one of the academic experts interviewed in the course of this research observed, fashion has moved "from an ordinary need for clothing protection to a very much identity question", and it is precisely this identity dimension that makes it so difficult, and so urgent, to think seriously about what it would mean for fashion to become truly sustainable.

The industry that has grown around this human impulse is, today, one of the planet's most environmentally harmful sectors, responsible for approximately 10% of global carbon emissions and staggering volumes of textile waste (Long, 2025). Overproduction and overconsumption sit at the core of this crisis (Arthur, 2025). Between 2000 and 2015, clothing production doubled while garment utilisation, which is the average number of times an item is worn before being discarded, declined by 36% (Ellen MacArthur Foundation, 2021). The trajectory, if left unchanged, is unambiguous: global apparel production is projected to rise by a further 63% by 2030, pushing annual GHG emissions towards 2.7 billion tonnes (ibid.). The industry that clothes the world is, in its current form, helping to render the world uninhabitable. Miuccia Prada, speaking backstage at the Autumn/Winter 2026 menswear show, expressed this uncomfortable truth with characteristic directness: "To be genuinely sustainable, the industry would need to stop altogether, no machines, no clothes, no consumption at all" (Vacalebri, 2026). It is a provocation, but not an entirely comfortable one to dismiss.

The response from the fashion industry, and particularly from its premium and high-end segment, has been, in recent years, an accelerating embrace of sustainability. Brands have launched repair services and resale platforms, developed recycled-fibre collections, published carbon footprint reports and anchored their corporate identities to narratives of circularity, longevity and responsibility (Ellen MacArthur Foundation, 2021). More specifically, the sustainable initiatives examined in this study fall into four principal categories: access-based models, such as rental services that extend the useful life of garments without requiring ownership; life-extension programmes, including official brand-owned resale platforms and professional repair services; material innovation, encompassing eco-designed products, high-durability fabrics and recycled or upcycled fibres; and transparency and certification initiatives, whereby brands publicly commit to supply chain disclosure and third-party environmental standards (Boken et al., 2016). The vocabulary of the circular economy has migrated from academic journals into marketing campaigns. “Pre-loved”, “timeless”, “responsible”, these words now appear on hangtags and websites with a frequency that would have been unimaginable a decade ago.

This shift has not occurred in a regulatory vacuum. External pressure from policymakers has increasingly compelled brands to formalise their sustainability commitments beyond voluntary disclosure. In the European Union, two regulatory frameworks are particularly significant for the fashion industry. The Ecodesign for Sustainable Products Regulation (ESPR), adopted in 2024, establishes binding requirements on product durability, repairability, recyclability and the use of recycled content, effectively mandating that sustainability be designed into products from the outset rather than retrofitted through communication (European Commission, n.d.). The Digital Product Passport (DPP), introduced as part of the same regulatory package, requires brands to provide machine-readable, traceable information about each product's materials, origin and end-of-life options, making supply chain transparency a legal obligation rather than a competitive differentiator (ibid.). Together, these regulations represent a structural shift in the conditions under which fashion brands operate: sustainability is no longer solely a strategic choice but an emerging legal baseline. Whether compliance with these frameworks will translate into genuine environmental impact, or whether it will produce a new layer of regulatory greenwashing, remains one of the open questions that makes research of this kind necessary.

But there is a question that this proliferation of sustainable language, initiative and regulation has not yet adequately answered: does it work? Not in the sense of whether individual garments are made from more sustainable materials, many are, but in the deeper sense of whether the aggregate environmental impact of the fashion industry is actually decreasing. And here the picture is far less encouraging. Despite the multiplication of sustainable collections, circular programmes and environmental commitments, total production volumes continue to rise. The efficiency gains that circular business models promise have not, so far, translated into the absolute reductions in resource consumption that planetary boundaries require. Something is going wrong between the intention and the outcome, and understanding what that something is constitutes the central ambition of this study.

The question of whether circular business models genuinely reduce environmental impact is not new to academic scholarship. A growing body of literature has documented the structural limitations of circularity as currently practised. Zink and Geyer (2017) demonstrate that circular initiatives only deliver environmental benefits when they actively displace primary production, a condition that, as they show, is rarely met in practice. Bocken et al. (2016) reinforce this point, arguing that the majority of circular business model innovations remain incremental rather than systemic, leaving the underlying growth logic of industrial production fundamentally intact. At the consumer level, research has consistently documented a persistent gap between stated environmental values and actual purchasing behaviour (Bertilsson, 2015), and experimental work by Mazar and Zhong (2010) shows that engaging in ostensibly virtuous consumption, buying a green product, can paradoxically license subsequent unsustainable behaviour. Meanwhile, at the organisational level, scholars have documented the structural difficulty of embedding sustainability within firms whose performance metrics, incentive systems and power structures remain oriented towards commercial growth (Haffar and Searcy, 2017; Bolman and Deal, 2017). The environmental cost of fashion's overproduction has been quantified with increasing precision: Niinimäki et al. (2020) document how the rise of fast fashion has generated a structural decoupling between production volumes and garment utilisation, with absolute environmental impacts continuing to rise despite per-product efficiency improvements.

What this body of literature has not yet done, however, is examine how the consumer-level and organisational-level dimensions of this failure interact and reinforce each other within a single empirical context and specifically within the premium fashion segment, where circular initiatives are most developed, sustainability narratives most elaborated, and the tension between commercial growth and environmental responsibility most acutely felt. It is precisely this gap that motivates the research questions pursued in this study.

1.1 The Circular Growth Paradox

The phenomenon this thesis investigates is what we term the Circular Growth Paradox: the tendency for sustainability initiatives within the premium fashion segment to inadvertently facilitate, rather than reduce, total market footprints and absolute consumption. Academically, this paradox is deeply rooted in the Circular Economy Paradox defined by Zink and Geyer (2017), who argue that circular initiatives fail to deliver environmental benefits if circular products do not actively displace primary linear production. The paradox is not a conspiracy, it is not the result of deliberate deception, though circular washing certainly exists. Rather, it is a systemic consequence of pursuing sustainability within a growth-oriented business model and a consumer culture that turns ethical values into consumption practices.

The paradox operates through two distinct but deeply intertwined mechanisms, one behavioural and one organisational and it is the interaction between these two levels that gives the phenomenon its peculiar resilience.

At the consumer level, circular options, renting a dress for an occasion rather than buying it, purchasing a second-hand coat through a brand's resale platform, sending a worn garment for professional repair, lower the psychological cost of fashion consumption. They reduce guilt. They provide what the moral licensing literature calls a “permission slip”: the sense, conscious or otherwise, that having done something virtuous in one domain grants a degree of freedom to be less virtuous in another (Merritt et al., 2010). The consumer who rents a premium garment from an ethical brand may feel, with some justification, that she is making a responsible choice. What the moral licensing framework suggests is that this feeling of responsibility can translate into increased consumption elsewhere. This dynamic is an instance of what economists and sustainability scholars call the Rebound Effect: the phenomenon whereby gains in efficiency or reductions in the perceived cost of an activity lead to an increase in overall consumption, thereby offsetting or reversing the intended environmental benefit (Sorrell, 2007). The environmental saving in one act is absorbed by the consumption it licenses in another. This is the Rebound Effect operating at the most intimate level of everyday life.

At the organisational level, something structurally analogous occurs. When premium brands launch circular initiatives they do so within organisations whose performance metrics, resource allocation processes and strategic priorities remain oriented towards growth in primary production and revenue. A circular initiative that attracts new, younger, more environmentally conscious consumers to the brand may expand the brand's market rather than substitute within it. A sustainability narrative that enhances brand prestige may make it easier to sell more primary products, not fewer. The circular programme becomes, in effect, a marketing investment that generates returns in the primary linear business, which is precisely what the Circular Economy Paradox (Zink and Geyer, 2017) predicts: circularity fails to protect the environment when circular products do not actively displace primary production but instead create secondary parallel markets.

1.2 Why the Premium Segment?

Before proceeding, it is necessary to clarify the terminological distinction between *luxury* and *premium* brands, two categories that are frequently conflated in both popular discourse and academic literature, yet which operate according to meaningfully different logics. Luxury brands, in the strict sense, are defined by extreme scarcity, elevated heritage and a deliberate refusal of mass accessibility: their value proposition rests on the systematic exclusion of the many as a condition for the desirability of the few (Kapferer and Bastien, 2009). Premium brands, by contrast, occupy a different register. They compete on the basis of superior quality, authentic brand identity and a consumer experience that justifies a price premium over the mass market, but they do not structurally depend on inaccessibility as a source of value (Vigneron and Johnson, 2004). Alghanim and Ndubisi (2022) capture this distinction through a tripartite classification of luxury consumption into inaccessible, intermediate and accessible tiers, with brands such as CHANEL or Louis Vuitton occupying the former and brands such as Hugo Boss or Calvin Klein representing the latter. This thesis is concerned primarily with the premium and accessible luxury segment, brands that are aspirational without being categorically exclusive, and that are sufficiently embedded in mainstream consumer culture to make the dynamics of circular consumption and the Rebound Effect analytically legible. Where the term "luxury" appears in the literature reviewed, it is engaged with on its own terms; where the empirical context of this research is described, the term "premium" is used to denote this intermediate segment.

The premium fashion segment is not an arbitrary choice of context. It is, in several respects, the most revealing site in which to investigate the Circular Growth Paradox, for reasons that are both structural and cultural.

Structurally, premium brands are disproportionately active in the sustainability space (Caldecott, 2022). They have the financial resources to invest in circular infrastructure that are beyond the reach of fast fashion operators. They have the brand architecture to make sustainability claims credible and aspirational. And they have the consumer base, wealthier, more educated, more values-driven, that is most likely to respond to those claims. The premium segment is, in other words, where circular business models are most developed and most seriously pursued, making it the most appropriate setting in which to examine whether those models are actually delivering on their environmental promises (Caldecott, 2022).

Culturally, the premium segment is where the relationship between fashion, identity and sustainability is most explicitly performed. As Bertilsson (2015) shows in his study of Scandinavian fashion consumers, sustainability has become a status marker, a signal of taste, cultural capital, and environmental sophistication. One of our consumer informants put it directly: “I think sustainability has become a status thing. People that have more money can afford more expensive clothes and show that they support sustainability. It is like a status symbol”. This observation is analytically crucial, because it means that the premium consumer's engagement with sustainable fashion is driven not only by genuine environmental concern but by the same identity-construction impulses that drive fashion consumption in general. When sustainability becomes a style, it becomes subject to the same escalatory dynamics as any other fashion attribute, and the premium segment is where this dynamic is most acute.

1.3 Research Purpose, Scope and Structure

The literature reviewed above establishes that the mechanisms through which circular initiatives fail to deliver genuine environmental decoupling are partially understood, but have not been studied as an integrated phenomenon in the premium fashion context. This gap generates two research questions that together define the analytical scope of this study.

The first asks how product longevity and circular strategies, such as resale and repair services, influence premium consumers’ purchasing behaviour and how these initiatives trigger a Rebound Effect through the mechanism of psychological moral licensing. The second shifts the focus to the organisational level, asking what tensions arise when a premium fashion organisation attempts to integrate circular initiatives in its business and how these dynamics vary across different corporate approaches within the premium sector.

The purpose of this study is to investigate, through qualitative empirical inquiry, the mechanisms through which the Circular Growth Paradox operates across both of these dimensions simultaneously. In doing so, it aims to contribute a more critical and empirically grounded understanding of the conditions under which circular initiatives can constitute genuine environmental progress, rather than functioning primarily as sophisticated brand positioning exercises. Together, the two research questions trace the Circular Growth Paradox from the psychology of the individual consumer to the political economy of the corporate organisation, examining both the demand-side and supply-side conditions that allow the paradox to persist despite genuine sustainability ambitions on both sides.

While this study aims to shed light on important dynamics within circular luxury, it is equally important to acknowledge its limits. It does not evaluate the absolute environmental performance of specific brands through quantitative measurement, nor does it offer a definitive verdict on whether any particular circular initiative has succeeded or failed on its own terms. Most importantly, it does not claim that the people it studies are acting in bad faith. The Circular Growth Paradox is not primarily a story about dishonesty; it is a story about the constraints within which honest intentions operate, and about the systemic forces that convert those intentions into outcomes their authors did not intend and would not endorse.

The thesis unfolds across six chapters. Following this introduction, Chapter 2 describes the research design and data generation strategy, which combines semi-structured interviews with industry practitioners, academic experts and consumers, a preliminary consumer survey and observational fieldwork at the Global Fashion Summit 2026 in Copenhagen. Chapter 3 builds the theoretical framework and Chapter 4 presents the findings and analysis, bringing the empirical voices of interviewees into dialogue with the theoretical framework developed in the literature review. Chapter 5 discusses the broader implications of those findings and Chapter 6 draws conclusions, setting out the study's contributions, its limitations and directions for future research.

2. Methodology

This study investigates two research questions. The first concerns the consumer level: how do circular strategies in the premium fashion segment influence purchasing behaviour and how do they trigger a Rebound Effect through psychological moral licensing? The second concerns the organisational level: what challenges and internal tensions arise when a premium brand attempts to integrate circular initiatives in its business. Both questions are directed at understanding a phenomenon, the Circular Growth Paradox, that is inherently experiential, interpretive and multi-level. They ask not simply what happens, but how and why: how do consumers make sense of their own circular consumption choices, and why do organisations that genuinely aspire to sustainability consistently fall short of it in practice? These are questions that cannot be answered through measurement alone. Rather, they call for a qualitative approach capable of exploring the meanings, motivations and organisational dynamics that lie behind observable behaviour. It is this requirement that determines the methodological choices described in this chapter.

2.1 Research Approach: Qualitative and Inductive

The study is grounded in a constructionist epistemological framework, which holds that knowledge about social phenomena is not discovered but constructed through human interaction, interpretation and context (Berger and Luckmann, 1966). Sustainability, circularity and responsible consumption are not fixed, objective categories: their meanings are actively negotiated by managers, consumers and researchers in ways that reflect their positions, interests and cultural contexts. By approaching these concepts as socially constructed, this research is able to examine not only what actors do, but how they make sense of what they do and where those interpretations diverge from each other and from the environmental outcomes they are intended to produce.

The research design is accordingly qualitative and inductive. This choice follows directly from the nature of the research questions: understanding how moral licensing operates in the lived experience of premium consumers, or how sustainability ambitions are contested within fashion organisations, requires the contextual, interpretive depth that qualitative inquiry is specifically designed to produce (Hammersley, 2013). Rather than testing pre-specified hypotheses, the design allows patterns and insights to emerge from sustained engagement with the empirical material, an inductive openness that is held in productive tension with the theoretical framework developed in Chapter 3 (Bell et al., 2022).

The study adopts a multi-perspective design, drawing on the accounts of three distinct stakeholder groups: industry practitioners working within or alongside premium fashion brands; academic and expert informants who study the sector from an independent scholarly vantage point; and consumers who engage actively with circular fashion services. This triangulation across perspectives is not merely a methodological nicety. It reflects a substantive conviction that the Circular Growth Paradox can only be adequately understood by examining it from multiple angles simultaneously, since it is precisely the gaps and misalignments between these perspectives that constitute the phenomenon under investigation.

2.2 Data Generation

2.2.1 Overview

Primary empirical data were generated through three complementary streams: semi-structured interviews with industry practitioners and academic experts; semi-structured interviews with premium fashion consumers; and a preliminary consumer survey administered in advance of the consumer interviews. In addition, observational and discursive data were gathered through attendance at the Global Fashion Summit 2026, held in Copenhagen in May 2026. Twelve semi-structured interviews were conducted in total across all streams, each offering a distinct and irreplaceable window onto the dynamics of the Circular Growth Paradox.

2.2.2 Industry and Expert Interviews

The first two streams of interview data came from practitioners within the premium fashion ecosystem and from independent academic experts. On the practitioner side, we conducted interviews with an Environment and Sustainability Specialist working within a major international fashion group and with an Impact Project Manager at the Global Fashion Agenda (GFA), one of the most prominent international organisations driving sustainability in the fashion industry. The GFA is particularly relevant here, as it sits at the intersection of industry, policy and civil society, and its staff are unusually well-positioned to offer a structural view of the tension between sustainability ambition and commercial reality across the sector. On the expert side, we spoke with a Professor of Business Administration at Lund University, whose research specialises in brand orientation and the relationship between brands, consumer identity and sustainability, a conversation that proved particularly generative for understanding how sustainability functions as a cultural resource in premium fashion. We also interviewed a doctoral researcher who has conducted extensive empirical research on sustainable fashion practices and circular economy dynamics in the textile sector. Her insights helped us better understand both the opportunities and the limitations of post-consumer product management, while also providing a broader perspective on the current state of sustainability and circularity within the industry.

All of these informants, both practitioners and experts, have been anonymised throughout the thesis. Names, specific organisational identifiers and any contextual details that could render an individual identifiable have been replaced by generic role descriptors. This decision reflects two considerations that reinforce each other. The first is ethical: research participants who speak candidly about internal tensions, corporate limitations and the gap between sustainability rhetoric and operational reality do so on the basis of trust and that trust deserves to be honoured. The second is methodological: anonymisation tends to produce richer and more candid interview data, because informants are more willing to speak honestly when they know that their words will not be traceable to them personally. The trade-off, some loss of specificity in the empirical account, is, in our judgment, more than compensated by the gain in depth and frankness.

The interviews with practitioners focused on how sustainability and circular initiatives are framed strategically within their organisations; on the relationship, or the absence of one, between circular revenues and reductions in primary production; on the internal organisational dynamics, including the tensions between sustainability-oriented and commercially-oriented functions; and on their assessment of how much progress the premium fashion sector has actually made. The expert interviews ranged more widely, drawing on each informant's research to situate industry claims within a broader empirical and theoretical context and to ask the uncomfortable questions that practitioners may be less well-positioned to answer directly.

2.2.3 Consumer Survey and Interviews

The consumer dimension of the research proceeded in two stages, which were deliberately sequenced to allow the second to be informed by the first. The first stage was a preliminary online survey, distributed to premium fashion consumers through social media channels and personal networks. The survey was not designed to generate statistically generalisable data but rather to produce a descriptive map of the purchasing and consumption habits of premium fashion consumers: their engagement with circular services such as resale, rental and repair; their awareness of and attitudes towards sustainability initiatives; and their self-reported motivations for consuming, or not consuming, circular fashion. This map then served as the foundation for the consumer interview protocol, allowing the questions to be calibrated to actual patterns of behaviour rather than hypothetical ones.

The second stage consisted of eight semi-structured interviews with consumers, all of whom had some active engagement with circular fashion, whether through second-hand purchasing, rental services, or deliberate investments in high-quality, long-lasting garments. Said consumers are principally based in Denmark and Sweden, have similar age and economic backgrounds. The conversations ranged across the motivations behind their circular consumption choices, the psychological experience of buying second-hand or renting versus buying new, the relationship between their circular fashion practices and their overall consumption levels and their honest assessment of whether their own behaviour was actually making a difference environmentally. These were often rich and sometimes surprising conversations, in which informants proved more reflexively aware of the tensions in their own consumption than one might expect, an awareness that maps closely onto the consumer cynicism that Bertilsson (2015) documents in his Scandinavian context.

As with the practitioner and expert interviews, consumer informants are anonymised throughout. They are referred to by their interview designation in the findings chapter, without personal identification.

2.2.4 The Global Fashion Summit 2025

In addition to the interview and survey data, this study draws on material gathered through attendance at the Global Fashion Summit 2026, held in Copenhagen in May. The Global Fashion Summit is the fashion industry's premier annual gathering on sustainability, a space where senior executives, policymakers, civil society representatives, researchers and media come together to take stock of the industry's sustainability progress and to debate its future direction. The 2026 edition was organised around the theme of *Building Resilient Futures*, a framing that proved particularly revealing for the purposes of this research, as it foregrounded questions of long-term systemic durability rather than short-term efficiency gains. For a study of the Circular Growth Paradox, it was an unusually productive site of observation: precisely because it is a public, curated, and to some degree performative forum, it offers a window onto the discourse through which the fashion industry represents its sustainability commitments to itself and to the world.

Attendance generated extensive field notes across multiple panel sessions and keynote addresses. These notes are drawn upon selectively in the findings and discussion chapters, particularly where the Summit contributions illuminate the themes of greenwashing, circular washing, the relationship between brand narrative and operational practice, or the limits of existing sustainability metrics.

2.3 Interview Design and Conduct

All interviews were conducted in a semi-structured format: a set of thematic areas and guiding questions was prepared in advance, but the conversation was allowed, and encouraged, to move where the informant's account led. This is the format best suited to research of this kind, where the goal is not to elicit responses to pre-determined questions but to follow the informant's own reasoning as it unfolds, noting where it diverges from, confirms, or complicates the theoretical framework.

Separate interview guides were developed for each of the three informant groups, tailored to their roles and expertise. Practitioner guides focused on strategic decisions, KPI architectures, and intra-organisational dynamics. Expert guides focused on the scholarly and empirical evidence on circular business models and consumer behaviour. Consumer guides focused on lived experience, purchasing habits and the psychological texture of sustainable consumption. Interviews were conducted in English or Italian depending on the informant’s preference and linguistic comfort, with Italian-language interviews subsequently translated into English for analysis.

All interviews were recorded with informed consent and transcribed in full. Average duration was approximately 45 minutes, ranging from around 30 minutes for some consumer interviews to over an hour for some of the practitioner and expert conversations. The recordings were stored securely and transcripts were anonymised before analysis began.

2.4 Data Analysis

The empirical material was analysed using thematic analysis, following the six-phase model developed by Braun and Clarke (2023). Thematic analysis is particularly well suited to this study because it is both flexible enough to accommodate the diversity of perspectives across the three informant groups and rigorous enough to generate analytically credible findings from a relatively small dataset. It does not presuppose a particular theoretical framework and thus preserves the inductive openness that the research design requires.

The analysis proceeded as follows. In the first phase, both researchers independently immersed themselves in the full dataset, reading all transcripts multiple times, listening back to recordings where relevant and noting early impressions before any formal coding began. This phase of familiarisation is easily undervalued, but it is essential: it is where the analysts develop the holistic sense of the material that allows them, later, to distinguish between what is analytically significant and what is merely interesting.

In the second phase, initial codes were generated systematically across the transcripts. Codes were generated inductively from the data, labels attached to segments of text that seemed relevant to the research questions, rather than deductively from pre-existing theoretical categories. Both convergent perspectives, where multiple informants said similar things and divergent ones, where they contradicted each other or themselves, were coded and retained. The divergences, in particular, proved analytically productive: the gap between what a practitioner claimed about their company's circular strategy and what an academic expert said about the industry's actual progress is not noise to be filtered out but data to be interpreted.

In subsequent phases, codes were grouped into broader themes, which were in turn reviewed for internal coherence and distinctiveness, and defined clearly enough to guide the writing of the findings chapter. Following Gioia, Corley and Hamilton (2013), we maintained a careful distinction between first-order concepts, the informants' own language and framings, and second-order themes, which represent the researchers' interpretive elaboration of those concepts into analytically generalisable categories. This two-tier structure is intended to make the inferential pathway from raw data to analytical claims as transparent as possible, so that readers can assess the reasonableness of the interpretations for themselves.

Six aggregate thematic dimensions emerged from this process: Sustainability, Profit, Organisational Structure and Brand Identity, the Circular Growth Paradox, Consumer Behaviour and Overconsumption. The findings chapter is organised around these dimensions, weaving together the empirical voices of the informants with the interpretive framework of the literature review to produce what Gioia et al. (2013) call a “third voice”, neither a simple summary of what informants said nor a purely theoretical argument, but an analytically creative synthesis of the two.

Figure 1: *Thematic Data Analysis - Coding Structure*

1st-Order Concepts	2nd-Order Themes	Aggregate Dimensions
Avoiding negative impact on the planet	**Contextualizing Sustainability Metrics**	**Sustainability**
Measuring carbon footprint / ESG		
Transparency and greenwashing risk		
Degrowth and post-growth perception	**Internal Sustainability Perception**	
Sustainability as cost, not investment		
Must be embedded in all production		
Sustainable choices reduce long-term risk	**Economic Benefit of Sustainability**	
Circularity as financial investment		
Sustainability used to charge higher prices	**Increasing Sales**	**Profit**
Selling on non-sustainable platforms		
Brand legitimacy drives sales volume		
Profit prioritized over ecological goals	**Profit Expectations**	
Market competition limits sustainability		
Investors expect competitive returns		
Deep vs. symbolic sustainability integration	**Origin and Vision (craft vs. industrial)**	**Organisational Structure & Brand Identity**
CEO and top management commitment		
Knowledge concentrated in one person	**Staff Engagement in Strategy**	
Top-down vs. horizontal decision-making		
Brand identity around sustainability claims	**Brand Positioning and Identity**	
Sustainability as differentiation strategy		
Greenwashing vs. genuine commitment		
Circular models as symbolic alibi	**Circular Growth Paradox**	**Circular Growth Paradox**
Rebound effect in circular fashion		
Green growth ≠ reduced total impact		
Sustainability as identity and status	**Consumer Behavior and Cynicism**	
Cynicism and moral licensing		
Price barrier to sustainable choices		
Fast fashion / volume growth model	**Overconsumption Drivers**	
Recycling as false sense of security		
Disposable garments, non-recyclable fibres		

The coding procedure was conducted collaboratively. Each researcher independently coded a portion of the material, after which the codes were compared and discrepancies were resolved through dialogue, a process of negotiated intercoder agreement (Campbell et al., 2013) that served not only to improve the reliability of the coding but to enrich the interpretation, since the two researchers often brought different emphases and intuitions to the same passages.

2.5 Research Quality and Ethics

Qualitative research is assessed not by the criteria of statistical validity and reliability but by the parallel standards of credibility, transferability, dependability and confirmability (Guba and Lincoln, 1994). Credibility, whether the findings accurately represent what the informants said and meant, was pursued through prolonged engagement with the data, through the use of multiple and divergent perspectives, and through systematic review of interpretive inferences against the raw transcripts. Transferability, the degree to which the findings may resonate beyond the specific context studied, is supported by the richness of the empirical account and by the theoretical framing, which situates the findings within broader scholarly conversations that extend well beyond the premium fashion segment.

A note on reflexivity. Both researchers came to this study with prior engagement with fashion consumption and with sustainability as both academic and personal concerns. This positioning inevitably shapes the analysis, it is one reason, for instance, why the consumer interviews were particularly attentive to the psychological texture of sustainable consumption, and why the practitioner interviews pressed on the gap between narrative and practice. We acknowledge this positioning not as a limitation to be apologised for but as a constitutive feature of interpretive research, one that is managed through transparency, collaborative analysis and a sustained effort to let the data speak even when it complicates or contradicts the researchers' prior intuitions.

2.6 Usage of Generative AI tools

During the writing of this study, artificial intelligence tools were drawn upon for two specific and limited purposes. First, AI-assisted transcription software was used to produce initial transcripts of the recorded interviews. All transcripts were subsequently reviewed, corrected, and verified by the researchers against the original recordings to ensure accuracy and completeness. Second, a large language model, namely Claude and Gemini, was consulted for feedback on grammar, spelling, wording, and textual structure during the writing process.

In both cases, the use of these tools was strictly auxiliary. All ideas, arguments, analyses, interpretations, discussions, conclusions and recommendations presented in this study are the sole intellectual product of the authors. No AI tool contributed to the generation of content, the development of theoretical frameworks, or the interpretation of empirical material. The researchers remain the only authors of this work in any substantive sense.

3. Literature Review

3.1 Introduction to the Literature Review

This chapter reviews the academic literature relevant to the Circular Growth Paradox in the premium fashion segment. The review is structured as a progressive argument moving from the macro context of the fashion industry, its environmental consequences, its market segmentation and its competitive dynamics, through the theoretical landscape of circular economy and its systemic limitations, to the behavioural and organisational mechanisms that together generate the paradox this thesis investigates. The chapter concludes with an explicit mapping of the theoretical framework, identifying which contributions function as direct analytical tools and which serve as contextual framing. This distinction ensures that the empirical analysis in Chapter 4 is anchored in a coherent and manageable set of theoretical lenses rather than a diffuse catalogue of concepts.

The literature reviewed here draws on three bodies of scholarship that have not previously been examined in relation to each other within the premium fashion context: circular economy and industrial ecology, consumer behaviour and social psychology, and organisational theory. The contribution of this thesis lies precisely in the integration of these three traditions into a single analytical framework applied to a specific and revealing empirical setting.

3.2 The Global Fashion Industry

3.2.1 Environmental Impact and the Crisis of the Linear Model

The global fashion industry is one of the most resource-intensive and environmentally damaging sectors of the contemporary economy (Ellen MacArthur Foundation, 2021). The result is a system that produces ever more and wastes ever sooner: in 2018, the industry generated approximately 2.1 billion tonnes of greenhouse gas (GHG) emissions, equivalent to 4% of the global total, with approximately 70% of those emissions arising from upstream activities including raw material extraction, fibre processing and manufacturing (Ellen MacArthur Foundation, 2021). The environmental footprint of fashion extends beyond climate: intensive water use in cotton cultivation and dyeing, microplastic pollution from synthetic fibre washing, and the generation of vast volumes of post-consumer textile waste that largely ends in landfill or incineration collectively constitute an ecological debt of extraordinary proportions (Niinimäki et al., 2020).

Unless significant structural changes occur, the outcome is clear. Global apparel production is projected to rise by 63% by 2030, pushing annual GHG emissions towards 2.7 billion tonnes (Ellen MacArthur Foundation, 2021). The commercial model that generated extraordinary profit growth in the early 2000s through volume expansion and cost externalisation has simultaneously entered a phase of economic diminishing returns: profit margins of the world's leading apparel retailers fell by an average of 40% between 2016 and 2019, a structural deterioration compounded by the Covid-19 pandemic, which saw industry profits collapse by 90% in 2020 (ibid.). The linear model, take, make, waste, is failing simultaneously on environmental and commercial grounds.

3.2.2 The Structure of the Fashion Market

Understanding the dynamics of sustainability in fashion requires first understanding how the industry is structured. Fashion is organised vertically, across a hierarchy of segments that differ not only in price point but in the fundamental logic through which value is created, communicated and consumed. This segmentation is most usefully conceptualised through a pyramidal model, in which the mass market and fast fashion occupy the base, the premium segment occupies the intermediate tier, and luxury sits at the apex (Kapferer and Bastien, 2009).

At the base of the pyramid, mass market and fast fashion brands compete primarily on price and speed. Their commercial model is one of high volume and low margin, sustained by globally distributed, cost-minimising supply chains and a production rhythm that has compressed the traditional two-season calendar into a near-continuous cycle of newness. It is this segment that has driven the most dramatic increases in global clothing production and the steepest declines in garment utilisation (Niinimäki et al., 2020).

At the apex, true luxury brands operate according to an entirely different logic. Kapferer and Bastien (2009) identify the defining characteristic of luxury as the systematic and deliberate construction of inaccessibility: the value of a luxury product depends structurally on its unavailability to the majority. Scarcity, heritage, craft and the refusal of conventional marketing imperatives are not incidental features of luxury but constitutive ones. Luxury brands do not simply charge more; they produce less, distribute selectively and derive their desirability from exclusion as much as from quality.

The intermediate tier, the premium segment, operates according to a distinct and more complex logic that borrows from both extremes without fully inhabiting either. Premium brands compete on the basis of superior quality, authentic brand identity and an experiential proposition that justifies a price premium over the mass market, but they do not depend structurally on inaccessibility as a source of value (Vigneron and Johnson, 2004). Heine (2012) captures this intermediate position through a classification of the luxury-premium spectrum into accessible, intermediate and inaccessible tiers: a continuum rather than a sharp boundary, in which brands such as Hugo Boss or Calvin Klein represent the accessible end, while brands like Brunello Cucinelli approach the luxury threshold without fully crossing it. Alghanim and Ndubisi (2022) similarly identify a tripartite classification of luxury consumption, acknowledging that the emergence of accessible luxury has made traditional distinctions increasingly difficult to maintain. This thesis is concerned primarily with this intermediate, premium-accessible segment, brands that are aspirational without being categorically exclusive and sufficiently embedded in mainstream consumer culture to make the dynamics of circular consumption and the Rebound Effect analytically legible.

It is worth noting that while premium brands nominally align with the craft and longevity values that circularity requires, the commercial pressures they face are not categorically different from those of the mass market. As Silverstein and Fiske (2003) observe, premium consumers are characterised by a paradoxical combination of aspiration and pragmatism: they are willing to pay more for products perceived as meaningfully superior, but they remain susceptible to the same behavioural dynamics, including moral licensing and the rebound effect, that operate across the broader market.

3.2.3 Competitive Dynamics in the Premium Segment

Porter's (2008) Five Forces framework provides a useful structural lens for understanding the competitive pressures that shape strategic behaviour in the premium fashion segment and in particular for explaining why premium brands are structurally incentivised to pursue sustainability as a differentiation tool rather than an operational imperative.

The threat of substitute products is particularly salient. The emergence of circular business models, resale platforms, rental services, repair programmes, constitutes a structural change in the substitution landscape: consumers increasingly access premium products through channels that do not involve primary purchasing. Premium brands face a strategic imperative either to participate in these substitute channels themselves or to risk ceding revenue to specialist circular operators. Competitive rivalry is intensifying along sustainability lines: as environmental credentials become a marker of brand distinction, they function as a new axis of differentiation, one that, like quality or heritage, is costly to build and difficult to imitate. This pressure produces a proliferation of circular initiatives that reflects competitive mimicry as much as genuine environmental commitment. Buyer power is elevated by the sophistication and values-consciousness of the premium consumer base, heightening both the reward for authentic sustainability and the reputational risk of circular washing.

Taken together, Porter's framework helps explain why premium brands invest heavily in sustainability narratives while simultaneously facing commercial pressures that constrain the depth of that investment. The competitive logic of the segment is itself one of the forces that produces the Circular Growth Paradox: sustainability is pursued as a competitive move rather than an operational transformation and its environmental ambition is systematically limited by the imperative to maintain growth and market position.

3.3 The Circular Economy and Its Structural Limits

3.3.1 Definition and the Four Circular Business Models

The circular economy is defined as an industrial system that is restorative or regenerative by intent and design, seeking to eliminate waste by maintaining products, components and materials at their highest possible value (Ellen MacArthur Foundation, 2021). In the fashion context, this principle is operationalised primarily through four business models: resale, which encompasses peer-to-peer platforms, third-party marketplaces and brand-owned re-commerce; rental and subscription services that extend garment use without requiring ownership; repair and maintenance programmes that extend product life; and remaking, through which end-of-life garments are transformed into new products (Ellen MacArthur Foundation, 2021). These four models collectively represented a USD 73 billion global market in 2019, representing 3.5% of the total fashion market and are projected to grow to 23% of the market by 2030 (ibid.).

The environmental potential of these models is real but conditional. Under optimal conditions, specifically when circular business models achieve full displacement of primary production, resale, rental, repair and remaking could collectively contribute a 16% reduction in the fashion industry's GHG emissions by 2030, providing approximately one third of the abatement needed for a 1.5-degree pathway (Ellen MacArthur Foundation, 2021). The critical qualifier is displacement: the environmental benefit depends entirely on whether circular consumption replaces, rather than supplements, conventional new-product purchasing.

3.3.2 The Circular Economy Paradox and the Failure of Displacement

The foundational theoretical challenge to the circular economy's environmental promise is articulated by Zink and Geyer (2017), who identify what they term the Circular Economy Paradox: circular products or services do not reduce environmental impact unless they actively displace primary production. Where circular business models create secondary parallel markets that expand overall access to fashion without reducing new production, they may generate no net environmental benefit and may in fact increase aggregate consumption.

The Ellen MacArthur Foundation (2021) corroborates this concern operationally, acknowledging that booming sectors like rental and resale do not automatically decouple revenue streams from production and resource use. Three structural barriers prevent displacement. First, performance indicators in the fashion industry remain optimised for the linear model: take-back programmes that reward returned garments with vouchers for new products incentivise further primary consumption rather than substituting for it. Second, most garments are not designed for circularity: products that cannot withstand multiple rental cycles or industrial cleaning processes generate waste after only a few uses, necessitating additional new production to sustain the circular service. Third, supply chain and logistics infrastructure remains oriented towards one-way flows from manufacturer to consumer, rather than the reverse logistics that rental, repair and resale require (Ellen MacArthur Foundation, 2021).

The implication is that circular business models, as currently constituted in most fashion firms, remain add-ons to the linear model rather than genuine replacements for it.

This conclusion is further supported by Bocken et al. (2016), who argue that the majority of circular business model innovations are incremental rather than systemic, leaving the underlying growth logic of industrial production fundamentally intact.

3.4 The Rebound Effect

The Rebound Effect, originating in energy economics in the tradition of Jevons and formalised by Sorrell (2007), describes the phenomenon whereby improvements in the efficiency with which a resource is used tend to increase, rather than decrease, overall consumption of that resource. Gains in efficiency reduce the effective cost of a given activity, thereby increasing demand for it and potentially offsetting or reversing the intended environmental benefit.

In the fashion context, the Rebound Effect operates at two distinct levels. At the consumer level, circular options reduce the economic and psychological cost of fashion consumption. A consumer who accesses premium garments through a rental service at a fraction of the purchase price may use the financial surplus to consume more fashion overall, rather than less. At the organisational level, an analogous dynamic occurs when brands frame circular revenues as market expansion tools rather than substitutes for primary production: circular initiatives attract new consumer segments, increase brand touchpoints and may ultimately stimulate primary sales through enhanced brand equity and consumer acquisition effects. As Rennstam and Paulsson (2024) observe with respect to efficiency gains more broadly, such rebound effects mean that productivity improvements lead to more consumption, counteracting any potential environmental benefit.

The Rebound Effect is thus not merely a consumer-level psychological phenomenon but a structural feature of growth-oriented commercial systems. Its magnitude depends critically on whether circular options genuinely substitute for or merely supplement conventional consumption, a question that is, in the premium segment, empirically open and practically urgent.

3.5 Consumer Behaviour, Moral Licensing and Consumer Cynicism

3.5.1 The Attitude-Behaviour Gap

A substantial body of research in consumer behaviour has documented a persistent gap between stated environmental values and actual purchasing behaviour: consumers who express strong environmental commitments consistently fail to translate these into commensurate purchasing decisions (Carrigan and Attalla, 2001; Devinney et al., 2010). In the fashion context, this gap reflects the structural complexity of purchase decisions in which sustainability considerations compete with affordability, convenience, aesthetics and social signalling (Alghanim and Ndubisi, 2022). The attitude-behaviour gap is particularly pronounced in the premium segment, where sustainability is consumed as a marker of identity and social distinction rather than as a form of restraint, a dynamic explored in detail below.

3.5.2 Moral Licensing: The Permission Slip of Green Consumption

Moral Licensing Theory, developed through a series of social psychology experiments (Merritt et al., 2010; Mazar and Zhong, 2010), proposes that engaging in a virtuous act generates a form of moral credit that individuals draw upon to license less virtuous behaviour in subsequent choices. The act of doing good, in other words, grants psychological permission to do less good elsewhere. In the sustainable fashion context, a consumer who rents a premium garment, sends a worn item for repair or purchases through a brand's resale platform may feel they have demonstrated their environmental credentials. What the moral licensing framework predicts, and what this thesis's empirical material confirms, is that this feeling of responsibility can translate into increased consumption elsewhere, as the moral credit generated by the circular act is spent on subsequent, less sustainable purchases.

3.5.3 Consumer Cynicism and the Reflexive Moral Economy

Bertilsson's (2015) year-long netnographic study of a Swedish online fashion community provides the most analytically rich account of the consumer-level dynamics relevant to this thesis. Bertilsson (2015, p. 448) argues that modern cynicism informs consumers of the reasonableness of consciously stating one type of morality while acting out another, in order to handle the morally conflicting demands put on them by contemporary consumer culture.

This formulation is more nuanced than simple moral licensing: it captures the reflexive awareness that consumers bring to the contradiction between their stated values and their purchasing behaviour.

Bertilsson (2015) identifies three discursive practices through which consumer cynicism operates. Cynicism toward the market manifests as an enlightened disbelief in the morality of brands and branding: consumers are sceptical of corporate sustainability claims as marketing devices rather than genuine commitments. Cynicism toward other consumers involves projecting moral judgments onto peers' purchasing behaviour while simultaneously acknowledging one's own equivalent participation in the system. Most analytically significant for this thesis is cynicism toward the self, consumers' reflexive disbelief in their own moral enlightenment, which involves the explicit acknowledgment of acting against stated values while retaining a self-concept as an ethically aware individual. This reflexive cynicism does not constitute effective resistance to consumer culture; it reproduces that culture by making morally inconsistent behaviour feel reasonable, even sophisticated.

3.5.4 Sustainability as Status in the Premium Segment

The sustainability-luxury paradox identified by Alghanim and Ndubisi (2022) adds a further dimension specific to the premium context. Sustainability, with its associations of altruism, sobriety and restraint, appears structurally incompatible with luxury and premium consumption, which is historically premised on conspicuousness, indulgence and excess. Yet Alghanim and Ndubisi (2022) find empirically that all five principal luxury value dimensions, conspicuous, unique, social, emotional and quality values, motivate sustainable luxury consumption, suggesting that the paradox is navigated rather than resolved through a reframing of sustainability as a premium attribute: as quality, uniqueness and social distinction rather than sacrifice. When sustainability is consumed as a status markerì it becomes subject to the same escalatory dynamics as any other premium attribute. The more sustainable a product is, the more desirable it becomes, and the more consumption it may ultimately stimulate. This is the consumer-level architecture of the Circular Growth Paradox.

3.6 Organisational Tensions and the Politics of Sustainability

3.6.1 The Four-Frame Model as a Diagnostic Lens

Bolman and Deal’s (2017) Four-Frame Model offers the primary organisational analytical framework for this thesis. The model identifies four distinct cognitive frames through which organisational life can be understood: the Structural Frame, the Human Resource Frame, the Political Frame and the Symbolic Frame. Each illuminates a different dimension of the tension between sustainability ambitions and commercial imperatives in premium fashion firms.

The Structural Frame focuses on formal systems, KPIs and incentive structures. In the fashion industry, performance indicators remain optimised for the linear model: a business that measures success by sales volumes and rewards take-back with vouchers for new products is structurally incentivising continued linear consumption even as it rhetorically commits to circularity (Ellen MacArthur Foundation, 2021). Formal organisational structures embody and reproduce the commercial logic that shaped the organisation's historical success, and sustainability departments typically lack the authority to reconfigure these structures.

The Political Frame analyses the distribution of power and resources within organisations. In premium fashion firms, growth-oriented commercial functions, Sales, Marketing, Finance, typically dominate both because they generate the revenues that sustain the business and because the metrics by which organisational success is judged align with commercial rather than environmental goals. Sustainability functions are structurally outcompeted in the allocation of budget and authority, and when ecological and commercial imperatives conflict, commercial priorities prevail.

The Symbolic Frame draws attention to the role of organisational myths, rituals and narratives. In premium fashion firms with strong sustainability branding, sustainability has become a core element of organisational mythology, performed through brand stories, sustainability reports and circular flagship initiatives. The risk this frame identifies is what this thesis terms circular washing: the deployment of circular narratives primarily as symbolic resources to construct and maintain sustainability identity, rather than as instruments of genuine environmental transformation. Circular washing is structurally distinct from greenwashing: it involves not merely false claims but the systematic co-optation of circular economy frameworks to serve growth-oriented commercial strategies.

3.6.2 Paradoxical Tensions in Scaling Circular Business Models

Dehghannejad et al. (2025) offer a complementary perspective through their analysis of paradoxical tensions in scaling circular business models in the textile sector. They identify four core tensions: between growth ambition and environmental impact; between standardisation and customisation; between short-term commercial performance and long-term environmental investment; and between circular ambition and the capabilities of existing value chain partners. These paradoxical tensions are particularly acute in the premium segment, where brand promises of bespoke quality and exceptional service are difficult to maintain at the scale required for circular operations to generate meaningful environmental impact. The managerial challenge is not simply to launch circular initiatives but to find configurations that allow them to achieve genuine displacement without undermining the brand equity that sustains the premium proposition.

3.7 Craft-Orientation and Postgrowth: A Critical Counterpoint

The dominant response to the fashion industry's environmental crisis, is premised on an efficiency logic: more economic output from less resource input. As Rennstam and Paulsson (2024) observe, this efficiency paradigm is embedded in an industrial orientation that assumes more is better and prioritises modes of organisation that optimise efficiency and economies of scale in the pursuit of growth and shareholder value. Circular economy initiatives, in this framework, are not a departure from the industrial orientation but an extension of it: they seek to make growth more efficient, not to question whether growth itself is compatible with ecological sustainability.

Rennstam and Paulsson (2024) introduce the concept of craft-orientation as an alternative mode of organising that embodies postgrowth ideas. They define craft-orientation as: activity guided by the desire to do a job well for its own sake; a prioritisation of human engagement over machine control, standardisation and efficiency; and an epistemic rather than instrumental relationship to objects of production. This orientation implies fundamentally different approaches to efficiency, labour intensity, technology and the localisation of production and consumption, approaches that align with the principle of sufficiency over scale.

In the premium fashion context, this framework provides a normative counterpoint: a theoretically grounded alternative that makes visible the assumptions of the dominant industrial model. Scandinavian premium brands that prioritise craft, longevity and small-batch production approximate this orientation and demonstrate that commercially viable alternatives to volume-growth exist, though their viability is constrained by investor expectations, brand extension pressures and the structural difficulty of maintaining craft principles at the scale of a major fashion group.

3.8 Theoretical Synthesis: Mapping the Analytical Framework

Having reviewed the relevant literature, this section makes explicit which theoretical contributions function as direct analytical tools in the interpretation of the empirical data, and which serve as contextual framing. This distinction is essential to ensuring that the analysis in Chapter 4 is focused and coherent rather than theoretically diffuse.

3.8.1 The Consumer Level

The first research question asks how circular strategies influence premium consumers' purchasing behaviour, and to what extent they trigger a Rebound Effect through psychological moral licensing. Three theoretical contributions are directly mobilised in the analysis of this question.

Moral Licensing Theory (Merritt et al., 2010; Mazar and Zhong, 2010) provides the primary analytical lens for the consumer-level dimension of the paradox. It explains the mechanism through which engagement with circular fashion may generate a psychological permission slip that licenses subsequent unsustainable consumption. Bertilsson's (2015) concept of consumer cynicism extends this framework by demonstrating that the permission slip is not a cognitive error but a sophisticated and reflexive moral strategy through which consumers navigate the contradictions of ethical consumption in contemporary consumer culture. The Rebound Effect (Sorrell, 2007) provides the macro-level framework within which moral licensing operates, establishing the structural condition under which individual behavioural rebounds aggregate into a net increase in total consumption. The sustainability-luxury paradox (Alghanim and Ndubisi, 2022) provides a third lens specific to the premium segment, explaining why sustainability in this context is consumed as social distinction rather than restraint, a dynamic that amplifies the rebound by making sustainable consumption aspirational and identity-constitutive.

3.8.2 The Organisational Level

The second research question asks what managerial challenges and internal political tensions arise when a premium fashion organisation attempts to decouple economic growth from absolute production volumes. Two theoretical frameworks are directly mobilised here.

Bolman and Deal’s (2017) Four-Frame Model is the primary analytical tool for the organisational level of the paradox. The Structural Frame explains why linear performance metrics persistently subordinate circular ambitions to commercial priorities. The Political Frame explains why sustainability functions are structurally outcompeted by commercial functions in the allocation of resources and authority. The Symbolic Frame explains how sustainability initiatives function as organisational rituals that perform environmental commitment while leaving the underlying logic of the business intact, circular washing in its most structurally embedded form. Dehghannejad et al’'s (2025) paradoxical tensions framework complements this analysis by identifying the specific operational contradictions that emerge when brands attempt to scale circular operations within growth-oriented commercial architectures.

The Circular Economy Paradox of Zink and Geyer (2017) provides the structural foundation for both research questions. It establishes the necessary condition under which the Circular Growth Paradox can exist: circularity only reduces environmental impact when it actively displaces primary production. When it does not all the behavioural and organisational mechanisms documented above operate within a system structurally incapable of delivering the environmental outcomes it promises.

3.8.3 Theories Used as Contextual Framing

Several contributions reviewed in this chapter serve as contextual framing rather than direct analytical tools. Porter's (2008) Five Forces analysis establishes the competitive logic of the premium segment and explains why brands are structurally incentivised to pursue sustainability as differentiation rather than decoupling, but it is not directly applied to the interpretation of interview data. The market segmentation literature provides the structural context for understanding what the premium segment is and why it is the appropriate empirical setting for this thesis, but it does not function as an analytical lens in the findings. Rennstam and Paulsson's (2024) craft-orientation framework functions as a normative counterpoint, a theoretically grounded alternative that illuminates what genuine sustainability might look like, rather than an empirical framework applied to the data.

This distinction between analytical tools and contextual framing is intended to be transparent and productive: it allows the reader to understand precisely which theoretical claims the empirical analysis is designed to test, extend or complicate, and which claims it takes as established background.

4. Findings and Analysis

4.1 Introduction

This chapter presents and analyses the empirical findings generated as described in the methodology section through semi-structured interviews with consumer, academic experts and industry professionals, a preliminary consumer survey, and field observation at the Global Fashion Summit 2026 in Copenhagen. The findings are organised in accordance with the emergent themes identified through the inductive coding process described in Chapter 2, Section 2.4 and Figure 1: consumer behaviour and purchasing habits; the role of sustainability in the premium fashion segment; the profit-sustainability tension; organisational structure and brand identity; the Circular Growth Paradox and its mechanisms; and the industry-level dimension of the paradox as observed at the Global Fashion Summit 2026. The analysis weaves the empirical material into dialogue with the theoretical framework developed in Chapter 3, connecting the voices of informants to the theoretical concepts of moral licensing, consumer cynicism, the Rebound Effect, the Circular Economy Paradox, and Bolman and Deal's Four-Frame Model.

Throughout this chapter, informants are identified by letter designation in accordance with the anonymisation protocol described in Chapter 2. The informant legend in Table 1 below summarises the three categories of interviewee and their corresponding letter codes.

Table 1. *Anonymised Informant Legend.*

Designated Code	Category	Comment
A	Consumer	Based in Denmark.
B	Consumer	Based in Denmark.
C	Consumer	Based in Denmark.
D	Consumer	Based in Denmark.
E	Consumer	Based in Sweden.
F	Consumer	Based in Sweden.
G	Consumer	Based in Denmark.

H	Academic Expert	Associate Professor based in Sweden. Research focused on brand orientation and consumer behaviour.
I	Academic Expert	PhD student based in Italy. Research focused on sustainable fashion and circular economy practices
J	Consumer/Industry Expert	Based in Ireland. Previously employed by a major luxury brand.
K	Industry Expert	Environment and Sustainability Specialist within a major international fashion group based in Italy.
L	Industry Expert	Impact project manager at an NGO working with fashion based in Denmark.

4.2 Consumer Purchasing Habits and Baseline Attitudes

Prior to conducting the qualitative interviews, this study deployed a preliminary online questionnaire survey to map broader trends in consumer purchasing habits. The survey received 119 responses and provides an attitudinal baseline against which the more nuanced findings of the interview phase can be situated. It is not designed to generate statistically generalisable claims; rather, as outlined in Chapter 2, its function is to calibrate the interview protocol to actual patterns of consumer behaviour rather than hypothetical ones.

The survey reveals that a clear majority of respondents prioritise quality (58.8%) or price (28.6%) when selecting the single most critical factor in their purchasing decisions. Sustainability and ethical concerns ranked third at 10.9%, while brand name was ranked last at 1.7%. This ranking, quality and price dominant, sustainability tertiary, is consistent with the attitude-behaviour gap identified by Carrigan and Attalla (2001) and Devinney et al. (2010) in the sustainable consumption literature: consumers may hold environmental values but do not act on them as primary purchasing criteria.

A more nuanced picture emerges when respondents are presented with a concrete purchasing scenario: a choice between two structurally similar black blazers, one prioritising affordability (Option A, 599.95 SEK) and one prioritising durability and long-term quality (Option B, 4,700 SEK). The sample split almost evenly, with 50.4% selecting Option A and 49.6% selecting Option B. This near-equal division opens a question: to what extent do consumers equate higher price with superior quality, and higher quality with more sustainable consumption? The link between price, quality and sustainability, a pattern that also emerges in the qualitative findings, reflects the dynamics of moral licensing and social distinction discussed in the literature review: in the premium segment, sustainability is perceived as a status marker rather than a behavioural pattern.

The survey also reveals that the vast majority of respondents are familiar with circular initiatives (98.3%) and have actively participated in them (91.6%), with second-hand shopping emerging as the dominant modality (77.3%). This high level of circular engagement suggests that the consumers interviewed in the qualitative phase are not outliers but representative of a broader consumer population for whom circular fashion has become normalised. Yet, as the interview findings will demonstrate, high circular engagement does not translate into reduced overall consumption, precisely the dynamic predicted by the Circular Economy Paradox (Zink and Geyer, 2017).

Finally, when asked to rate their own sustainability considerations on a scale from 1 (exclusively sustainability-driven) to 7 (not at all), the highest concentrations fell in the moderate 3 to 5 range (26.1%, 24.4% and 23.5% respectively). Sustainability operates, for the majority of these consumers, as a background value rather than a primary purchasing driver, an orientation that, as Bertilsson (2015) argues, enables cynical moral reasoning.

4.3 The Role of Sustainability in Fashion

Across both consumer and expert interviews, a degree of consensus emerges around the importance of sustainability and the inadequacy of the industry's current response to it. What differentiates the informants is not their diagnosis of the problem but their sense of where responsibility lies and what, if anything, can be done.

Consumers consistently framed the sustainability crisis in fashion as a symptom of broader societal issues rather than a problem unique to the industry. Informant A acknowledges that fashion can become "more sustainable" but questions whether it can ever be "completely sustainable", given that it remains "an industry based on consumption trends and constant production". Informant C is more direct: "Fashion as it is now, it will never be sustainable, because we produce way too much and our culture around fashion has become fronted by overconsumption". Perhaps most analytically significant is Informant F's framing of the problem: "I think fashion is compatible with sustainability. I think the current structure of the world is not compatible with sustainability. It's not something that comes from fashion, it's just capitalism". This tendency to locate the problem at a systemic rather than brand level resonates with Rennstam and Paulsson's (2024) postgrowth critique. They argue that the environmental crisis of industrial production cannot be resolved through efficiency improvements alone but requires a more fundamental questioning of the growth imperative itself.

This systemic diagnosis is further endorsed by the academic expert informants. Informant H observes: "If you just look at the system, it promotes industrial production and consumption and distribution". This reflects Bolman and Deal's (2017) Structural Frame: the system is built to generate and reward linear consumption, and circular initiatives, however sincere, operate within and are constrained by that same logic.

Despite this broad consensus on the nature of the problem, an action gap is evident across both consumer and brand behaviour. Informant A states plainly: "Price is actually one of the most important factors for me when I buy clothes rather than sustainability". This acknowledgment of price taking priority over stated sustainability values is a clear illustration of the attitude-behaviour gap that Carrigan and Attalla (2001) identify as a defining feature of sustainable consumption. The expert informants also contextualise this gap at the brand level. Informant K notes that the CEO of a major luxury group "said that she cares about sustainability and sustainability initiatives if they make profit for them". Informant H further frames the institutional logic by stating that "Two things are important. One is kind of to stay legitimate so that the society thinks that your organisation has the license to exist and secondly is we can use it to build a stronger brand and thereby sell more products or at least charge a higher price, so we can be even more profitable”.

This finding directly supports the institutional theory of organisational legitimacy: premium brands adopt sustainability practices primarily in response to external social pressure rather than out of genuine environmental commitment (Dragomir and Dumitru, 2022). In this sense, sustainability commitment is conditional, present when it is profitable and publicly visible, and reduced or absent when it becomes economically inconvenient.

4.4 Profit vs Sustainability: Structural Tensions

The most consistent finding across the expert and professional interviews is that sustainability initiatives within premium fashion are implemented only when they demonstrate profit potential. When profit and environmental commitment align, for instance, when a sustainability narrative enables premium pricing or access to new consumer segments, brands embrace sustainability. When they diverge, profit prevails without exception in the current system.

Informant H frames this structural logic: "It's really important with sustainability and ecological sustainability until it's better for the profit until it runs countering to the economic growth profit maximization ideals right, then you would suspect that they would prioritize business over climate". Informant L adds that sustainable production is currently "perceived as a cost within the industry", and that "there are so many surveys and research that show consumers are willing, that is, they want sustainability, but they're not willing to pay more. And that's a problem for brands because right now, doing things more sustainably, even just using recycled materials, costs a lot more".

This reflects Bolman and Deal's (2017) Political Frame: commercial, sales and marketing functions hold more organisational power than sustainability departments, and when conflicts arise, commercial priorities consistently win. The consequence is that sustainability investment is structurally fragile: it expands during periods of commercial confidence and contracts under financial pressure. Informant K describes a pattern observed across the industry in which post-COVID economic pressures led to a decline of sustainability engagement, as "geopolitical issues and tariffs" consolidated economic priorities. The fact that sustainability investment depends on commercial viability suggests that voluntary corporate commitments alone are not enough to deliver the reductions in environmental impact that climate targets require.

At the consumer level, informants consistently prioritise affordability over sustainability, viewing price as the primary barrier to making sustainable purchasing choices. However, findings reveal an emergent pattern: consumers frequently use quality as a proxy for sustainability, demonstrating greater willingness to invest at higher price points when quality is perceived as a signal of durability and therefore environmental responsibility. Informant D articulates this logic: "I'd much rather buy a super expensive coat [...] that I know is good quality. I treat it like an investment". While consumers often link higher prices to quality, higher quality to sustainability, this logic is not always applicable in practice. Many struggle to accurately evaluate quality and note that premium pricing does not guarantee durability, as illustrated by Informant G: "I bought some Acne pants that was quite expensive at some point and then they were destroyed within less than a year... my impression is that there's not always a correlation between the higher the price the better the quality”.

The use of quality as a proxy for sustainability, and price as an indicator of quality, results in the transformation of sustainable fashion into a marker of social status and limiting accessibility. Informant F elaborates on these consequences: "I think it has become something like a status", and notes that "things are very expensive nowadays and not everyone can afford sustainable fashion". This directly confirms the sustainability-luxury paradox identified by Alghanim and Ndubisi (2022): in the premium segment, sustainability is consumed not as a form of restraint but as a marker of social distinction, accessible primarily to those with the financial means to afford it.

The potential exception to this structural deadlock, identified consistently across the expert interviews, is external regulation. Informant L argues that "those who invest in circular business models can certainly see, in the long term, lower policy risks... but also increased revenue, and certainly added value". The expert consensus is that regulatory frameworks, led by the EU's Ecodesign for Sustainable Products Regulation (ESPR) and Extended Producer Responsibility, represent the primary lever capable of bypassing the profit-sustainability tension by enforcing sustainability standards regardless of their immediate commercial attractiveness. This finding aligns with the broader observation in the Global Fashion Summit field notes, discussed in Section 4.7, that decoupling revenue growth from production volumes is acknowledged as an aspiration without credible operational capabilities, and that regulatory compliance is the most likely pathway to genuine structural change.

4.5 Organisational Structure and Brand Identity: The Symbolic Frame in Practice

The findings across the expert and professional interviews show that brands treat sustainability primarily as a tool for differentiation rather than a genuine driver of operational change. Informant H describes this dynamic, noting that brands "use sustainability as a resource to actually differentiate yourself, you would use it as a distinguishing factor", thereby adopting sustainability narratives to access new consumer segments, justify premium pricing and reinforce brand prestige. Premium brands, and Scandinavian brands in particular, have exploited a structural gap in the market: fast fashion caters to the mass consumer through cost leadership, while true luxury competes through heritage and exclusivity, leaving the sustainability narrative available as a competitive strategy for the premium intermediate segment. As Informant B observes, many Scandinavian brands "front themselves as sustainable but in reality they're not, a lot of the materials that they use is polyester and viscose, and that is not great for the environment, and they slap a big price tag on it for the sustainability market".

The gap between sustainability claims and operational reality forms what Informant H terms "organisational hypocrisy". The precise formulation is analytically important and worth quoting at length:

> *"They symbolically integrate these ideals of sustainability on the branding level or in some activities in their businesses. But they don't fundamentally change the way their business model or the way they organize their operations and how they conduct their business. Because circular models then become kind of a supplement to the linear core." (Informant H)*

This account aligns with Bolman and Deal's (2017) Symbolic Frame analysis: circular initiatives function as organisational rituals that demonstrate environmental legitimacy to external stakeholders while leaving the underlying logic of linear production intact. The language of "supplement to the linear core" is the empirical equivalent of what the Circular Economy Paradox (Zink and Geyer, 2017) describes at the structural level: circularity that does not displace primary production does not reduce environmental impact but merely adds a new layer of sustainable-appearing activity on top of an unchanged linear base.

A noteworthy finding concerns the awareness gap between brands and consumers. The vast majority of consumer informants were unaware of the circular initiatives developed by premium brands, such as sample sales, previous-collection resales and official repair services. When asked to identify circular initiatives, consumers automatically gravitated towards independent secondhand stores, flea markets and peer-to-peer platforms such as Vinted, associating brand sustainability more broadly with material quality, ethical practices or production traceability rather than brand-owned circular programmes. This suggests that brands are not effectively communicating their circular efforts to consumers, meaning these initiatives fail to influence consumer behaviour even where they exist. As Informant F simply puts it: "it's more profitable for them to sell new clothes".

This under-communication is likely connected to the phenomenon of green hushing, whereby brands deliberately limit their sustainability communications to avoid scrutiny and reputational risk. As Informant L explains: "The fact that there's so much attention to greenwashing is one of the reasons why brands are communicating less. So when they say something, they need to have all the proof". Rather than overclaiming, brands are actively suppressing their sustainability communications. The practical outcome for consumers is the same: reduced awareness of circular options and no reduction in linear purchasing behaviour. In this way, brands can maintain a sustainability image without meaningfully displacing their linear model, further consolidating the circular growth paradox.

Bolman and Deal's (2017) Structural Frame helps explain why these dynamics persist. Informant K describes a situation where sustainability knowledge is concentrated in a single person, with top management retaining final decision-making authority. This marginalisation of sustainability expertise ensures that circular ambitions remain subject to commercial veto at the top of the organisation.

The findings suggest that although fashion brands, particularly in the Scandinavian premium segment, pursue sustainability as a differentiation strategy, it more often manifests as symbolic narrative lacking operational substance. This in turn limits brand willingness to communicate sustainability efforts, rendering circular initiatives largely unknown to consumers. Consequently, these initiatives struggle to displace the linear production model, contributing to the Circular Growth Paradox explored further in the following section.

4.6 The Mechanisms in Circular Growth Paradox

4.6.1 Circular Initiatives as Complement, Not Substitute

The empirical findings from the consumer interviews confirm the central analytical claim of the Circular Economy Paradox (Zink and Geyer, 2017): circular initiatives in the premium fashion segment are not displacing primary linear consumption but functioning as supplements to it. A distinct and consistent pattern emerges across the consumer interviews: the majority of informants engage with circular fashion, particularly second-hand purchasing, not as a substitute for new-product purchasing but as a complementary channel that serves different functions, accessed for different reasons, at different times.

The circular market is overwhelmingly characterised, in the interview accounts, as a site of aesthetic differentiation and opportunistic discovery rather than utilitarian need. Informant G articulates this clearly: second-hand shopping is "a way to maybe differentiate your style even further from other people's because it's more a unique piece you can get in a secondhand shop". Informant D expresses similar sentiment: "When I do vintage shopping, I go into the vintage store, I see what is inspiring me, and then I buy it because it's cheaper and I feel less guilty to do it. And I would buy stuff that I don't necessarily need because it's unique". These accounts reveal that the circular market is being used to satisfy a distinctly fashion-specific desire, for uniqueness, aesthetic differentiation and personal expression, thus it is not in competition with the new-product market but parallel to it. The consumer who buys a unique vintage purse and a new, trendy dress is not substituting one for the other instead satisfying two different needs through two different channels.

This pattern directly confirms Zink and Geyer's (2017) Circular Economy Paradox: the conditions under which circular business models generate net environmental benefit through active displacement of primary production, are the conditions that are absent from the consumer accounts. The circular purchase is experienced not as a replacement for a new purchase but as an addition to the overall consumption, or at best as an independent channel whose growth does not reduce engagement with the linear one.

4.6.2 Moral Licensing in Practice

The moral licensing mechanism, whereby a sustainable act licenses subsequent less virtuous behaviour (Merritt et al., 2010; Mazar and Zhong, 2010), emerges from the consumer interviews. The informants do not merely demonstrate moral licensing; many of them articulate it consciously, with a degree of self-awareness that maps closely onto what Bertilsson (2015) terms the cynicism of consumer morality.

The core dynamic is captured with particular clarity by Informant D:

"When I do vintage shopping, I go into the vintage store, I see what is inspiring me, and then I buy it because it's cheaper and I feel less guilty to do it. [...] And I would buy stuff that I don't necessarily need because it's unique." (Informant D)

This account encodes the full moral licensing sequence: the circular act (vintage shopping) generates reduced guilt; reduced guilt lowers the psychological barrier to purchase; the lowered barrier results in purchases of items that would not otherwise have been bought ("stuff that I don't necessarily need"). The environmental saving of the circular purchase is thus absorbed by the additional consumption it permits. The net environmental outcome is at best neutral and potentially negative.

Informant A offers a observation that captures the systemic dimension of this dynamic: "In a way secondhand shopping still encourages overconsumption even if it is considered more sustainable". This consumer-level recognition of the Rebound Effect, that circular options may amplify rather than reduce total consumption, is analytically significant because it is reflexively acknowledged by the consumers rather than merely observed by the researcher. Furthermore, it aligns with Bertilsson's (2015) account of cynicism toward the self: consumers recognise the contradiction between their stated sustainability values and their actual purchasing behaviour, and yet they continue to participate in circular consumption, partly because it reduces guilt, and partly because the reduced guilt is the mechanism that makes further consumption feel permissible.

Informant C provides a vivid account of the gamification dimension of this dynamic, describing how the structural features of peer-to-peer resale platforms such as push notifications, proximity alerts, and time-limited offers, generated purchases beyond her stated needs: "I deleted the app" after recognising that the platform's design was systematically inducing unplanned purchases. The observation that digital circular platforms embed behavioural architecture that lowers purchasing thresholds, by combining moral permission with convenience and low friction, adds a technological dimension to the moral licensing framework that the existing literature does not fully theorise.

4.6.3 The Localisation of the Rebound Effect

A nuanced and analytically important qualification emerges from the consumer interview data: the Rebound Effect and moral licensing mechanisms identified above appear, in the majority of cases, to be localised within the circular market itself rather than spilling over into increased consumption of new fashion items. Most consumer informants do not report that their circular purchasing has led to increased purchasing of new, conventionally produced garments. The moral credit generated by circular consumption does not, in most cases, licence additional primary consumption; rather, it licenses additional circular consumption.

Informant D explains this: "You would have a tendency to also buy that shirt because it's only 250 now instead of 500 and that is just more consuming". The rebound is within the circular channel: lower prices in combination with moral credit increase circular purchases, but do not transfer to new-item purchasing. This finding refines the theoretical model: the Rebound Effect in circular fashion operates primarily as an intra-channel phenomenon, where efficiency gains (lower perceived cost) translate into increased consumption within the circular market, rather than as a cross-channel phenomenon transferring moral credit to the primary market.

The practical implication is significant, though not reassuring. Because circular consumption is increasing without a corresponding decrease in primary consumption, the net effect on total fashion consumption, and therefore on total environmental impact, is an increase rather than a decrease. Circular initiatives are expanding the overall fashion market rather than redistributing it. This is, the structural condition that the Circular Economy Paradox (Zink and Geyer, 2017) identifies as fatal to the environmental promise of circularity: the absence of displacement.

4.6.4 Consumer Cynicism and Moral Economy

Consumer informants display a notable awareness of the contradictions in their own behaviour, going beyond the simple attitude-behaviour gap documented in the literature. They do not merely fail to act on their stated sustainability values; they articulate the psychological mechanisms that allow them to reconcile the contradiction. This awareness is the empirical evidence of what Bertilsson (2015) terms the cynicism of consumer morality: the capacity to consciously state one type of morality while acting out another, not through ignorance or deception, but through a sophisticated and culturally sanctioned form of moral self-management.

Furthermore, consumer scepticism toward brand sustainability claims is widespread and articulate. Informant G states that sustainability in fashion is "a hoax to quite a big extent because sustainability, fashion and sustainability it's like you can't mix those two". Informant B describes Scandinavian premium brands as fronting "themselves as sustainable but in reality they're not". These judgments reflect what Bertilsson (2015) identifies as cynicism toward the market: a disbelief in the morality of brands and branding. Yet this scepticism does not stop consumers from engaging with branded circular offerings. Instead, consumers continue to participate in the system while maintaining a critical distance from it, still feeling that circular shopping is more responsible than the alternative.

This finding has a structural parallel at the organisational level. Just as cynical consumers continue to participate in a system they know to be problematic, brands continue to deploy sustainability narratives they know to be insufficient "because it's profitable to be sustainable" (Informant K). The cynicism is not confined to individuals; it is systemic. Both consumers and organisations are operating within a cultural and commercial logic that makes cynical sustainability, professing one thing while doing another, not merely permissible but economically rational.

4.7 The Global Fashion Summit 2026: The Industry's Own Discourse

Field observation at the Global Fashion Summit 2026, held in Copenhagen in May 2026 under the theme Building Resilient Futures, provided a window onto the discourse through which the fashion industry publicly frames its sustainability commitments. Because this is a curated, public, and to some degree performative forum, it reveals not merely what the industry thinks but what it considers appropriate and credible to say, a distinction that is analytically significant for a study of the gap between sustainability narrative and operational practice.

The overall tone of the Summit was one of ambitious aspiration accompanied by frank acknowledgment of operational constraint. Cross-sector collaboration was consistently identified as the key enabler of sustainability transformation, particularly to secure funding for innovation, optimise supply chains and ensure ethical practices. This framing positions the solution to the industry's environmental crisis as a coordination problem rather than a structural one, which in itself is revealing. It locates the obstacle to progress in the absence of cooperation rather than in the commercial architecture of the system, and thereby implicitly leaves that architecture unchallenged.

The most analytically significant set of observations concerns the discussion of material recycling. Industry professionals acknowledged explicitly a prominent infrastructure gap: most garments are made from dyed, blended fibres, and the process of breaking them down, separating and cleaning them is long, highly energy-intensive, and frequently results in downcycling rather than genuine material recovery. When brands promise the recyclability of garments at end of life, those promises are, on the Summit's own account, premature on a technical basis: recyclability is theoretically possible but the infrastructure does not yet exist at scale, the likely outcome is downcycling, and the energy expenditure renders the process considerably less sustainable than commonly presented.

This finding adds a technical dimension to the Circular Economy Paradox (Zink and Geyer, 2017) that goes beyond the behavioural and organisational mechanisms examined in the preceding sections. If circular promises are built on recycling capacity that does not exist, and if consumers are purchasing more because they believe their garments will be responsibly recycled at end of life, then the environmental benefit of circular marketing is not merely offset by rebound effects but is fundamentally misleading. The consumer moral licensing generated by the recyclability promise is a form of moral credit for an environmental action that is technically incapable of being performed. This insight extends the moral licensing framework (Merritt et al., 2010; Mazar and Zhong, 2010) in an important direction: the permission slip is issued on the basis of a false promise.

The Summit also surfaced the phenomenon of green hushing alongside the more familiar problem of greenwashing. Several industry representatives described brands deliberately communicating less about their sustainability efforts in order to avoid the scrutiny that sustainability claims now attract. One panellist noted that "the scrutiny around greenwashing" is now a disincentive to sustainability communication. This dynamic, a strategic retreat from transparency driven by reputational risk, is analytically paradoxical: the industry's attempt to regulate greenwashing through social pressure has created an incentive for the opposite of transparency. As Informant L had noted in the interview phase, "when they say something, they need to have all the proof". The result is a communication landscape in which credible sustainability information is increasingly scarce, and consumers are less able to distinguish genuine circular progress from performative gestures.

Most significantly, the Summit offered no credible mechanism for decoupling revenue growth from production volumes. The discussion of overconsumption was notably absent from the main programme. The traditional linear, revenue-based business model was not meaningfully challenged. The partial exception was the luxury segment, whose slow-production, slow-consumption rhetoric was represented at the Summit, but even luxury industry representatives acknowledged that this model faces growing competitive pressure from the rise of fast fashion. The industrial orientation that Rennstam and Paulsson (2024) identify as the core obstacle to genuine sustainability, where growth is treated as inherently desirable and efficient as the primary solution, was present at the Summit not as a problem to be examined but as an unquestioned assumption.

4.8 The Circular Growth Paradox as an Integrated Systemic Dynamic

The findings and analysis presented in this chapter collectively produce a picture of the Circular Growth Paradox as an integrated systemic dynamic operating simultaneously at the consumer, organisational and industry levels. These three levels interact and reinforce each other in ways that mean addressing any one level in isolation is unlikely to produce meaningful change.

At the consumer level, moral licensing (Merritt et al., 2010; Mazar and Zhong, 2010) and consumer cynicism (Bertilsson, 2015) lead consumers to treat circular consumption as moral permission to continue or even increase their overall consumption. The circular act reduces guilt; reduced guilt lowers purchasing thresholds; lower thresholds produce more purchasing, primarily within the circular market, but without any corresponding reduction in primary consumption. The sustainability-luxury paradox (Alghanim and Ndubisi, 2022) adds a further amplifying layer: sustainability, in the premium segment, functions as a marker of social distinction that makes circular consumption aspirational and identity-constitutive rather than behaviorally constraining. Sustainable consumption becomes a form of fashion consumption, and fashion consumption is driven by escalatory social dynamics.

At the organisational level, the political and structural dynamics described by Bolman and Deal (2017) ensure that circular initiatives are systematically subordinated to the commercial logic of growth, functioning as symbolic legitimacy strategies rather than genuine structural transformations. Sustainability knowledge is concentrated in marginalised departmental silos; commercial functions dominate resource allocation; and performance metrics remain optimised for the linear model that circular initiatives are theoretically designed to displace. Dehghannejad et al. (2025) capture the paradoxical character of this dynamic: the tension between growth ambition and environmental impact is not resolved by launching a circular initiative, it is managed symbolically, giving the appearance of resolution while the underlying contradiction persists.

At the industry level, the Global Fashion Summit 2026 reveals an ecosystem in which the language of sustainability is prevalent but the structural conditions for genuine decoupling are absent. The recycling infrastructure gap confirms that many circular promises are technically premature. Green hushing is reducing the information available to consumers. And the growth imperative remains unchallenged as an organising principle of industry strategy.

Taken together, these three levels of analysis frame the Circular Growth Paradox not as a problem of individual bad faith, inadequate technology, or insufficient awareness. It is a structural consequence of pursuing sustainability within a growth-oriented system that consistently converts good intentions into outcomes that neither brands nor consumers would, on reflection, endorse. As Zink and Geyer (2017) predicted, and as this study confirms, circularity without displacement is not a solution to the fashion industry's environmental crisis; at best it offers partial mitigation and at worst it further drives the consumption it claims to address.

5. Discussion

This chapter discusses the implications of the empirical findings presented in Chapter 4, situating them within the broader theoretical framework developed in Chapter 3 and examining what they collectively reveal about the structural conditions that sustain the Circular Growth Paradox in the premium fashion segment. The discussion is organised around three core themes that emerge from the analysis: the self-reinforcing structural mechanism of the paradox; the specific behavioural dynamics of the consumer level; and the role of external regulation as the most credible lever for genuine decoupling.

5.1 Structural Mechanism of the Circular Growth Paradox

This study suggests that the tensions and complexities of the Circular Growth Paradox operate in a structural, self-reinforcing manner in the current context. The findings confirm that circular initiatives function as a supplement to the linear core business model rather than a replacement for it. This add-on logic prevents circular models from successfully displacing primary production and therefore from decoupling growth from production volumes and generating meaningful sustainability impact. This structural dynamic is precisely what Zink and Geyer (2017) anticipate in their theorisation of the Circular Economy Paradox: circularity only reduces environmental impact when it actively displaces primary production, and where displacement fails to occur, circular business models create secondary parallel markets that expand overall consumption rather than constraining it.

Furthermore, in order for circular models to function, they require a continuous supply of products, particularly given that garment quality does not permit indefinite circulation, as materials wear out over time, especially the widely used blended fibres. This dependency on continued production means that circularity does not solve the core problem but instead reinforces it by maintaining high production levels. This technical dimension of the paradox, identified at the operational level in the findings, extends the theoretical account of Bocken et al. (2016), who argue that the majority of circular business model innovations remain incremental rather than systemic, leaving the underlying growth logic of industrial production intact. The circularity-requires-production dynamic is perhaps the most structurally uncomfortable implication of the findings: even the most genuine circular initiatives are parasitic on the linear system they purport to supplant.

Although the findings show that the rebound effect and moral licensing dynamic are primarily localised within the circular market, having neither a measurably positive nor negative impact on the production volumes of new garments, each actor can nonetheless point to circularity as evidence of sustainability action. Circular initiatives are thus used as a means of legitimising current operational and behavioural practices without resulting in impactful structural change. For premium brands, circularity becomes a symbolic alibi that secures social licence and positions them as sustainable, while simultaneously enabling them to keep linear production intact as the dominant growth metric. This is the Symbolic Frame of Bolman and Deal (2017) made manifest at the level of market-wide legitimation: sustainability performs its function not by transforming operations but by managing external perceptions, producing what the Symbolic Frame identifies as organisational mythology, a narrative of responsibility that substitutes for substantive change.

Meanwhile, consumers use the moral credit gained from participating in circular initiatives to justify maintaining their purchasing behaviour around new fashion, further consolidating the presence of the linear model. The moral licensing mechanism, as theorised by Merritt et al. (2010) and grounded in the fashion context by Bertilsson (2015), operates here at a systemic rather than merely individual level: both the brand and the consumer are engaged in a form of moral self-licensing, each using the other's participation in circularity as justification for maintaining their own linear practices. By deploying circular initiatives as a symbolic alibi, and by accepting them as sufficient evidence of sustainability action, both actors collectively reduce the urgency for structural change, thereby creating a self-reinforcing system loop.

The observations from the Global Fashion Summit 2026 further consolidate this implication. Industry professionals discussed ambitious goals for building a resilient future in fashion without meaningfully questioning the current linear model. Moreover, material circularity was offered as a primary solution to the sustainability challenge, once again using circularity to legitimize a growth-production mentality, despite broad awareness of the recyclability infrastructure gap that would need to be bridged before this initiative could have any real impact. This gap between ambition and mechanism resonates with Parrique et al.'s (2019) empirical assessment that decoupling, as currently practised by industry, remains largely unverified and often refuted by the aggregate data on resource consumption.

Conversely, the Circular Growth Paradox operates as a structural mechanism because it does not arise from the failures of any single actor, but from the logic of the system itself. Each actor responds rationally to the incentives available to them and, in doing so, unintentionally reproduces the conditions that prevent meaningful change. Although both industry experts and consumers are aware of the sustainability challenge and express a genuine willingness to act, the failure to translate this intent into action can be attributed to the absence of sufficient incentives for both fashion brands and consumers. This structural logic is what Bolman and Deal (2017) identify through the Political Frame: organisations are arenas in which actors respond to incentive structures, and when those structures reward commercial growth rather than ecological restraint, even well-intentioned actors will consistently reproduce commercially rational behaviour at the expense of environmental outcomes.

Rather than displacing the system, circularity has been absorbed into its logic, providing legitimisation without disruption. This reduces external pressure for structural reform, leaving current operational structures unchallenged. The paradox thus sustains itself not through inaction, but through a particular kind of action that performs sustainability without producing it, what Rennstam and Paulsson (2024) would recognise as the brand orientation at its most operationally entrenched: an instrumental relationship to sustainability in which circularity is deployed as a tool for market positioning rather than as a genuine commitment to sufficiency and reduced production.

5.2 Consumer Purchasing Behaviour and the Circular Growth Paradox

Although the study shows that the interviewed consumer sample has both the awareness and reflects on their purchasing habits in a way that excludes indifference and ignorance, at the point of purchase they still act in a way that enables the Circular Growth Paradox. The simple implication across all consumer interviews is that there is a balancing act between their sustainability values and financial capability, and while their intentions are aligned with sustainability goals, this is not reflected in their purchasing habits. This finding is consistent with the attitude-behaviour gap documented by Carrigan and Attalla (2001) and Devinney et al. (2010), which holds that stated environmental values are systematically poor predictors of actual purchasing behaviour, particularly when price and convenience are competing priorities.

The study showed that consumers are more willing to invest in quality rather than sustainability but find it hard to judge the quality of premium clothing, mistrusting brands' sustainability claims while feeling that true quality pieces of luxury fashion are financially unattainable for them as a representative sample of society at large. As consumers correlate quality with sustainability and reason that genuine quality is out of their financial scope, they view sustainability as a status symbol rather than an achievable goal. This finding directly extends the sustainability-luxury paradox identified by Alghanim and Ndubisi (2022), who demonstrate empirically that all five luxury value dimensions, conspicuous, unique, social, emotional and quality, motivate sustainable luxury consumption, not as a form of restraint but as a form of distinction. The consumer who cannot afford genuine quality and sustainability, but who aspires to them, is not merely excluded from sustainable fashion: she is enrolled in a system of desire that positions sustainability as an elite marker and thereby reinforces the consumption escalation it ostensibly opposes.

Furthermore, they experience that the overall quality of clothing has decreased while prices have increased, forcing them into a loop of affording now but needing to buy more often. This is further compounded by a high level of mistrust toward premium brands' sustainability claims, particularly when they charge premium pricing. The majority of consumers did not think that fashion brands can be sustainable in the current context and, although they claimed that circular business models were better than doing nothing, they believed they were not enough under the current growth structure. This consumer scepticism maps onto what Bertilsson (2015) identifies as cynicism toward the market, an enlightened disbelief in the morality of brands and branding, and confirms that the reflexive cynicism of consumer morality documented in the Scandinavian context is not merely a feature of online discourse but a lived and articulated dimension of actual purchasing behaviour.

Notably, the consumer sample consisted largely of Scandinavian-based people between the ages of 20 and 30, many of whom are still students or at the beginning of their careers, which may limit the financial resources available to them and could explain why price plays such a large factor in their purchasing habits. On the other hand, young adults are often described as the future of sustainability, even during the Global Fashion Summit 2026 it was mentioned that Generation Z will represent a more sustainability-aware fashion consumer base than previous generations. This can perhaps be observed in the interview findings, where informants describe purchasing new fashion when they "need" something particular, while turning to the circular market to find unique statement pieces that differentiate their style but are not strictly needed.

Simultaneously, as discussed in Chapter 4, most consumers engage in moral licensing when participating in circular initiatives, feeling less guilty and therefore more likely to make unplanned or unnecessary purchases. The moral licensing mechanism (Merritt et al., 2010; Mazar and Zhong, 2010) is not merely a theoretical prediction that the data happen to confirm; it is a pattern that several consumer informants articulate reflexively and with considerable self-awareness, precisely the form of cynicism toward the self that Bertilsson (2015, p. 462) terms “consumers' reflexive disbelief in their own moral enlightenment”. The sophisticated consumer who knows that her circular shopping habits do not fully compensate for her linear purchasing, but who continues to engage in both, is not irrational: she is operating according to a culturally sanctioned moral economy in which the performance of sustainability is understood, by all parties, as a partial and imperfect substitute for the structural change that would actually be required.

Either way, the study sampling reflects a cognitive bias whereby the researchers were more likely to approach interview subjects in a similar age and financial situation, and future studies would benefit from a larger, more diverse consumer sample. It would be of interest to investigate how purchasing behaviours and motivations differ across age groups and socioeconomic contexts. Some informants even hint that their grandparents reasoned differently around fashion, being more likely to repair and prolong the life cycle of a garment rather than constantly purchasing more, which further supports the need for broader exploration across generations. This intergenerational observation resonates with Rennstam and Paulsson's (2024) account of craft-oriented consumption as guided by an epistemic interest in the object consumed, including how it has been produced and what its environmental impact is, in contrast to mass consumption, where more is assumed to be better, and status consumption, where goods are instruments for social elevation. The implied suggestion that earlier generations approximated a more craft-oriented relationship to clothing is an empirical hint, rather than a confirmed finding, but one that future research could productively pursue.

These findings raise an important question about whether a different business model orientation could more effectively displace the current linear production model than circular initiatives have so far. Consumers consistently make quality the proxy for sustainability and express a higher willingness to invest in quality pieces, which suggests that a craftsmanship-oriented model could warrant greater consumer trust and constitute a more impactful sustainability strategy than circular alternatives currently do. This aligns with what Rennstam and Paulsson (2024) propose as the consumption dimension of craft-orientation: an epistemic rather than instrumental relationship to objects, in which the how of production, its care, its material honesty, its labour intensity, matters in its own right, not merely as a signal of status or a marketing claim. Across the interviews, a willingness to shift from fast to slow fashion emerged, though price remained a significant barrier.

In this regard, the primary reason circular models are so well integrated into consumer purchasing habits is their accessibility and affordability, yet consumer simultaneously noted that the circular market cannot fully meet their needs in terms of available sizing or the quality of basic pieces, as previously used garments do have a finite life cycle and the materials wear out over time. It would therefore be of interest to further explore whether there is a way to leverage consumer attitudes toward quality and develop a business model that offers craftsmanship in an accessible way, and whether such a model would have a greater potential to decouple growth from production than circular initiatives do under the current structure. The craft-orientation framework of Rennstam and Paulsson (2024) does not, in its current formulation, address the accessibility problem directly, it is more at home describing small-scale, labour-intensive production for niche markets than mass-accessible alternatives to fast fashion. Bridging this gap, between the normative desirability of craft-orientation and the commercial conditions under which it could become accessible, is one of the most important theoretical and practical challenges that this study identifies for future research.

5.3 Regulations as a Decoupling Mechanism

The findings suggest that neither consumer demand for sustainability nor voluntary brand commitment to sustainability are sufficient driving forces for structural change within the fashion industry. Consumers are primarily concerned with affordability and quality, while brands operate within a profit-growth mindset where sustainability claims only translate into action if they align with profit goals. In accordance with the study findings, both consumers and brands are unwilling to make the financial trade-off and absorb the extra costs associated with implementing genuine sustainability initiatives in fashion. This structural deadlock is analytically predicted by both the Political Frame of Bolman and Deal (2017), in which commercial priorities systematically outcompete sustainability ones in the allocation of organisational resources, and by the broader critique of voluntary corporate sustainability commitments in the institutional theory literature (Dragomir and Dumitru, 2022): when the external pressure that motivates sustainability investment is contingent on commercial advantage, it is structurally incapable of delivering the non-negotiable reductions that climate targets require.

Simultaneously, both actors recognise the importance of and need for sustainability action in an industry driven by overconsumption, fast trends and intensive production. Importantly, the absence of action does not stem from ignorance or indifference on the part of either actor. Rather, it reflects a structural deadlock in which awareness and intent fail to translate into meaningful behavioural or operational change. This is precisely the condition that Bertilsson (2015) theorises as the cynicism of consumer morality at the systemic level: not the failure of individual moral reasoning but the structural organisation of a system in which morally inconsistent behaviour is simultaneously incentivised and legitimated.

This deadlock is further reinforced by the limitations of circular initiatives themselves. While circularity has been incorporated into the everyday habits of consumers and embraced by premium fashion brands as a viable sustainability strategy, it has not produced the desired large-scale effect. Circular initiatives fail to displace the dominant traditional business model, which is based on linear production using virgin materials, pushed-down production costs and high production volumes. This traditional model couples growth with volume while strongly aligning with the profit goals of most fashion brands, confirming Bocken et al.'s (2016) finding that the majority of circular innovations remain incremental add-ons rather than systemic replacements for the linear logic they nominally challenge.

Furthermore, consumer are either unaware of the circular initiatives that premium fashion brands offer, or utilise them in a way that does not replace or significantly decrease their consumption of new fashion. This dynamic constitutes the core of the Circular Growth Paradox, which complicates the decoupling of growth from production volumes, as neither consumers nor brands treat circular initiatives as their primary purchasing outlet or source of profit respectively. When it comes to the recycling of materials for the production of new garments, an alternative that could theoretically offer high profit yields for brands, the infrastructure to enable this at scale is not yet in place, would be costly to implement and current recycling methods do not yield high-quality material while requiring vast amounts of energy to complete. As such, material circularity is not, in the current state of innovation, a viable sustainability strategy. This finding extends the theoretical account of the Circular Economy Paradox (Zink and Geyer, 2017) in an important direction: the failure of displacement is not merely a commercial choice but a technical constraint. The infrastructure gap means that even circular promises made in good faith are empirically premature and the moral licensing they generate, giving consumers permission to maintain consumption levels on the assumption that materials will be recovered, is built on a foundation that does not yet exist.

If both consumers and the industry are aware of the sustainability challenge and express intentions to act, the question becomes how to translate that awareness and intent into tangible impact. As made abundantly clear across both the expert interviews and the Global Fashion Summit 2026, the most credible lever for decoupling growth from production in fashion and incentivising brands to implement impactful sustainability initiatives is regulation. The expert consensus, voiced with particular clarity by Informant L and confirmed by the Summit discourse, is that voluntary commitments are structurally insufficient: sustainability investment that is contingent on commercial advantage is constitutionally incapable of delivering the non-negotiable reductions in absolute resource consumption that ecological sustainability requires. This finding aligns with the broader claim of Parrique et al. (2019) that genuine decoupling, the separation of economic activity from environmental impact, has not been empirically demonstrated at the economy-wide level under voluntary conditions and requires structural intervention to become more than a theoretical aspiration.

Regulations have the potential to drive change at the structural level, enforcing production standards and environmental goals across the industry. The EU's Ecodesign for Sustainable Products Regulation (ESPR) and the Extended Producer Responsibility framework, referenced across both the expert interviews and the Summit field notes, represent precisely the kind of structural lever that the findings suggest is necessary: mandatory standards that make sustainability investment economically rational regardless of short-term commercial considerations, rather than dependent on the contingent alignment of environmental and profit goals. In the language of Bolman and Deal's (2017) Structural Frame, regulation reconfigures the formal incentive architecture within which organisations operate, replacing the commercial performance metrics that currently subordinate sustainability ambitions with legally enforced environmental standards that make sustainability a structural requirement rather than a strategic option.

However, regulations are also slow to formulate and implement and the fashion supply chain is often highly convoluted with several outsourced steps, complicating enforcement. Rigorous enforcement would be essential to elicit the desired effect, particularly given that large fashion conglomerates have the financial capacity to absorb penalties without meaningfully changing their operational practices. Public scrutiny could serve as a complementary enforcement mechanism, as the expert interviews suggest that reputational risk management and the threat of greenwashing allegations already motivate many fashion brands to deliver on their sustainability claims. A further risk of relying on regulation as the primary driver of sustainability change is that while large conglomerates may withstand both financial and reputational pressure, smaller premium brands could struggle to secure profitable outcomes under stricter regulatory conditions, potentially disappearing and further consolidating the industry. This risk of regulatory-induced market consolidation, whereby the compliance burden accelerates the competitive advantage of large players with dedicated sustainability infrastructure over smaller, artisanal producers, is an underexplored dimension of the regulatory debate that future research would benefit from examining empirically.

Although the findings clearly indicate that regulation represents the most credible lever for decoupling growth from production in fashion, the risks and trade-offs associated with this approach warrant careful consideration. The regulatory dimension remains underexplored in existing research on sustainability tensions in the fashion industry, and future studies would benefit from incorporating this perspective directly into their analysis, whether through interviews with policymakers, compliance officers, or regulatory bodies, in order to provide a more complete picture of the structural conditions under which meaningful decoupling could realistically occur. In this respect, the thesis' empirical findings point beyond the theoretical frameworks developed in the literature review, which focus primarily on the mechanisms of the paradox rather than its resolution, towards a research agenda that takes the governance dimension of sustainability transformation as seriously as the behavioural and organisational ones.

6. Conclusion

6.1 Conclusion Introduction

The fashion industry occupies a paradoxical position in contemporary society. It is one of the planet's most environmentally harmful sectors, responsible for staggering volumes of carbon emissions and textile waste (Long, 2025), driven by everchanging trends, overproduction and overconsumption (Arthur, 2025). Yet fashion is simultaneously one of the most deeply human industries, integral to identity, self-expression and the desire for self-actualisation. It is, in other words, an industry that makes life more meaningful while contributing in making the planet uninhabitable. The industry's response to this contradiction has been an accelerating embrace of sustainability, with brands launching circular initiatives ranging from resale platforms and repair services to material recycling programmes. Yet despite this proliferation of circular commitments, total production volumes continue to rise and the environmental impact of the industry continues to increase. Circular initiatives have so far failed to translate into structural change. This study sets out to explore the underlying reasons for this. Specifically, it investigates the Circular Growth Paradox in the premium fashion segment by combining two analytical dimensions that existing literature has largely treated in isolation: consumer behaviour and organisational structure. Through this dual lens, the study qualitatively explores how circular initiatives shape premium consumers' purchasing behaviour, what organisational tensions arise when premium brands attempt to embed sustainability into their strategies, and together, what mechanisms allow the paradox to persist despite genuine sustainability ambitions on both sides.

6.2 Key Findings

The study confirmed that the rebound effect (Sorrell, 2007) and moral licensing (Merritt et al., 2010) occur when premium brands develop circular initiatives and consumers engage with them. However, the study showed that this occurred in a localised way within the circular market, without any visible spillover into the consumption of new fashion. The data showed that consumers' purchasing behaviour of new fashion remained largely unchanged despite increased participation in the circular market, meaning it cannot be determined whether circular alternatives increase or decrease overall linear production volumes. What the study did show, however, is that circular initiatives function as a systemic alibi at both the consumer and brand level, serving to justify continued linear production. This dynamic in itself has the potential to sustain or increase production volumes, making the paradox structural and self-reinforcing.

A further finding confirmed that circularity is viewed as a supplement to, rather than a replacement of, the linear core and notably, this occurred at both the organisational and consumer level simultaneously. Neither actor views circular business models as a feasible replacement for linear production, likely due to an absence of sufficient incentives on both sides. This implication further complicates the decoupling of growth from production, as circular business models can only deliver their intended sustainability impact if they successfully displace the linear core.

The inability of circular initiatives to achieve this displacement is, according to this study, further consolidated through green hushing. The findings revealed that most consumers were unaware of the circular initiatives that premium brands offered, suggesting that brands under-communicate their efforts in this regard. This leads to reduced consumer engagement with these initiatives, while brands can still deploy them as a symbolic alibi, a dynamic that compounds the paradox rather than resolving it.

6.3 Theoretical Contributions

These findings make several contributions to existing literature. Most notably, they integrate the consumer-level and organisational-level tensions of the Circular Growth Paradox into a single empirical framework, something that previous literature has largely left undone. The study also brings empirical validity to moral licensing and the rebound effect in a circular fashion context, while adding a new dimension to these concepts by demonstrating that both mechanisms remain contained within the circular market rather than spilling over into new fashion consumption. Furthermore, the study reveals an underexplored consequence of green hushing, whereby brands' inability or unwillingness to communicate their circular efforts actively prevents consumer participation, further limiting the impact of these initiatives.

The study also contributes to the debate on structural drivers of sustainability change. The findings suggest that neither consumer demand nor voluntary brand commitment constitutes a sufficient driving force for meaningful structural change in the fashion industry. The current incentive structure makes genuine sustainability action economically irrational for both consumers and brands. This positions regulation as the most credible lever for change, one that is notably underexplored in existing literature on sustainability tensions in fashion.

6.4 Limitations

Although this study uncovers several important tensions of the Circular Growth Paradox, it is subject to certain limitations. First, the sample size is too small to make definitive claims. The consumer sample is largely homogeneous, skewed towards a younger, Scandinavian-based group with similar economic and educational backgrounds, which may partly explain findings such as price being the primary factor in purchasing decisions and the notably high level of reflexivity and sustainability awareness among informants. While the study brings together the perspectives of consumers, industry experts and academic experts, the sample consists of eight consumers, two industry practitioners and two academic experts, resulting in an unbalanced triangulation that orients the findings predominantly towards the consumer dimension. Furthermore, the study lacks a regulatory perspective, despite regulation emerging as a key lever for structural change. This imbalance was not an active choice by the authors but stems from the time constraints of the study and the comparatively greater accessibility and willingness to participate among consumers relative to industry professionals.

6.5 Future Research

Consequently, future research would benefit from including a larger and more diverse consumer sample to explore generational and socioeconomic differences in purchasing decisions, particularly given this study's finding that sustainability can function as a status symbol. Future studies should also aim to rebalance the triangulation by including a broader range of industry professionals, ideally those working in sustainability and strategy roles at premium brands, as well as policymakers, in order to examine how regulatory compliance mechanisms can incentivise meaningful sustainability action among both consumers and brands. Another promising avenue for future research is how to leverage consumers' existing preference for quality to develop sustainability strategies centred on craftsmanship, an orientation that may have greater potential to decouple growth from production than circular models do under the current structure and that raises important questions about how such a model could be made economically accessible at scale.

6.6 Concluding Remarks

The premium fashion industry is, at present, performing sustainability without producing it. The Circular Growth Paradox and the continued inability of circular models to displace the linear core together illustrate this clearly. Linear production remains dominant despite the proliferation of sustainability strategies, and crucially, it remains largely unchallenged by the industry, as it continues to be the most profitable model available. The findings of this study confirm that despite genuine awareness and stated intentions on the part of both consumers and premium brands, impactful action remains absent. Sustainability initiatives such as circular business models remain largely symbolic, constrained by the structural tensions this study has sought to illuminate. Circular initiatives are not failing because the intentions behind them are dishonest, they are failing because good intentions, without structural change, are not enough. As long as circularity remains more profitable as a narrative than as an operational reality, the industry will continue to dress sustainability in the language of change while the linear model goes unchanged. This makes Miuccia Prada's provocation all the more difficult to dismiss: perhaps the industry cannot shop its way to sustainability (Vacalebri, 2026).

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Appendix

Raw empirical data generated in this study, including consumer survey responses and interview transcripts, can be accessed via the link below. All interviews have been anonymised in accordance with the protocol described in Chapter 2. Transcripts are available upon request.

CLICK HERE TO ACCESS DATA