

# **Engaging the fashion consumer in a transparent business model**

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## **Abstract**

This paper focuses on the relationship between fashion consumers and retailers in the transparency of supply chains and public communication of brand's corporate social responsibility (CSR). Adopting a qualitative, mixed-methods approach, this study explored the current industry situation with regards to the information being disclosed to external stakeholders such as consumers. Following the development of a conceptual framework informed by an in-depth literature search, the study aimed to contribute to the discourse by establishing the type and quantity of information desired by consumers in order to inform their knowledge of ethics and sustainability in fashion. Utilising methodological tools such as consumer surveys and secondary research analysis, the study engaged with multiple stakeholders in order to adopt a case study approach. Within an ethical and sustainable context, the paper highlights a number of issues that are currently preventing enhanced consumer knowledge and awareness including the use of unengaging communication tools and a lack of connectivity. The paper concludes with a number of suggestions to aid in more efficient communication methods in the future with the further consumer engagement in transparent business practices.

**Keywords:** supply chain transparency; sustainable business practices; corporate social responsibility

## **1. Introduction**

Over the past decade the fashion industry has increasingly been engaging with ethical and sustainable principals in their day-to-day business including an increased focus on human rights and negative environmental impact. Engagement with such values has been labelled as Corporate Social Responsibility (CSR), which acts as an umbrella term for a number of issues being recognised and responded to on behalf of the company. In addition, the communication of such actions is increasingly being used to further inform and engage consumers with the brand and their actions. Directly related to the transparency of business practices, the communication of CSR actions can often leave a company open to criticism and media expose. However, when conducted carefully the communication of ethical and sustainable actions and commitments can have great positive outcomes. These include increased brand trust, positive brand image, increased consumer awareness and knowledge and increased profits due to the consumer perception of brand values (James, 2015).

The fashion supply chain is notoriously a long and complex process and has a long associated history with ethical and sustainable issues, the disclosure of which has led to the smaller details of the fashion manufacturing process coming under scrutiny. However, it is this level of detailed information that is increasingly in demand from consumers and the general public from behind the scenes of the fashion industry.

## 1.1 Conceptual Framework

This paper explores the benefits and rationale for increased supply chain transparency through further exposure of company's CSR actions. Through an in-depth literature search, the demand for an increase in transparent business practices in the fashion industry is explored and a gap in knowledge identified. Following this mapping of the current discourse and in relation to the missing knowledge identified, a hypothesis was formulated and presented in order to direct and inform the methodological approach developed.

Adopting a qualitative, mixed-methods approach, this gap in knowledge will be investigated with comparable studies between the type and volume of information desirable to consumers and the current provision of information by selected fashion retailers.

The aims of the paper are as follows:

1. To explore the type of CSR information being communicated by fashion retailers to inform customers of their ethical and sustainable commitments
2. To understand the type of CSR information consumers, want to be informed about
3. To develop a series of recommendations that will encourage further transparency in the fashion industry
4. To explore the best methods to engage consumers in a transparent fashion business model

## **2. Corporate Social Responsibility (CSR)**

Literature defines CSR as a commitment to improve community well-being through discretionary business practices (Kotler and Lee, 2005), however this definition lacks clarity and regulation again leaving this engagement open to individual interpretation. Issues covered by such terminology are broad and diverse including both environmental and social aspects of the fashion industry. These can range from the development of carbon neutral factories as seen with M&S and garment recycling initiatives in charity collaborations as seen at H&M. One of the largest problems in the execution of CSR is the lack of definitions and standards, leaving the interpretation of CSR to be very subjective and individual to each company (Ihlen, Bartlett and May, 2011). A lack of industry definition is not only an issue when it comes to company engagement with ethical and sustainable values, this also remains as issue for consumers in the understanding of the values reflected by each company.

The level in which a company engages with CSR also remains an overlooked area of knowledge. Regardless if a company engages with extensive commitments to social and environmental impact or relatively little, the terminology remains the same. The message and signals sent to a public audience can therefore be difficult to read and interpret to the average fashion consumer with an average level of existing knowledge. Due to the complexities found with terminology, some companies have chosen to brand their ethical and sustainable values. Examples of this can be seen with M&S and Plan A which includes their 100 commitments across their full product

range offering. Another example of a company adopting this approach is Monsoon Accessorize, who have called their CSR commitments L.O.V.E (Love our Values and Ethics). The advantage of branding CSR commitments has not yet been established, although the number of brands adopting this approach has been seen to be increasing. It is believed that a company is no more sustainable than its supply chain (Krause, Vachon and Klassen, 2009), and as a consequence, leading fashion companies are beginning to challenge traditional thinking and business practices. There have been inspiring examples from pioneers such as Gucci, Levi's, Timberland and Brunello Cucinelli, who create quality products without leaving a negative impact behind (Rinaldi and Testa, 2014).

The rationale for engagement in CSR has also recently become a focus of academic research, with companies regularly looking to research for reasons to further engage with ethical and sustainable practices. Increased media coverage and consumer knowledge are two prominent reasons, applying further pressure for companies to act more responsibly in their business actions. This increased knowledge on behalf of the consumer has raised expectations with fashion companies, with the informed consumer posing questions and expecting answers with regards to ethics and sustainability. Campaigns such as that run by The Fashion Revolution has encouraged consumers to question where their clothes have come from, again encouraging an increase in pressure on fashion brands to be more open and honest about their supply chain. Engagement with CSR is also said to have positive correlation with brand image with both their customer base

and the wider public. Brown and Dacin (1997) refer to CSR having an impact on the person's overall evaluation and personal attributes of the brand which begins to form the theoretical basis being challenged and further explored in the paper. The relationship between CSR and the consumer is vital in the further engagement and enhanced knowledge of ethics and sustainability, however the extent of the effect this increased transparency can have on the consumer remains unknown. This paper begins to explore the full scope of this effect and builds on knowledge by exploring the type of information desired by consumers in the growth of their knowledge of responsible actions in the fashion supply chain.

In the 1990's, Levis Strauss were the first to develop *terms of engagement* to review and upgrade standards in the garment supply chain (Fletcher, 2008). Further examples include Gucci within the luxury market and in contrast Levis Strauss as a mass market Denim brand. While being ethically aware within their supply chain it would appear through initial research that Gucci's CSR strategies still always seem to remain luxurious and are often used to promote their products. Gucci had stopped using Brazilian leather in the wake of the 2009 Greenpeace report, but now supplies for the Jackie bag are sourced from a deforestation-free zone. These examples demonstrate company's increasing willingness to share details about their supply chain which is said to have had a positive effect on business with the development of brand trust and purchasing preference of fashion goods. Further rationale includes that of financial benefit where a relationship between engagement and profit has been identified (Zadek and

Chapman, 1998). Burchell (2008) also believes that company attitudes are adapting from that of profit sacrifice to that of profit gain. The extent to which a company engages in CSR practices is also beginning to differentiate fashion retailers from that of their competitors. This competitive advantage is a further reason why companies are beginning to actively engage in CSR within their business practices.

## **2.1 CSR Communication**

Traditionally the interaction between a retailer and consumer comes in the form of marketing to increase sales and drive up profit, however CSR communication has been labelled as social marketing. This can be defined as the encouragement of positive behaviour for the benefit of society (Kotler and Lee, 2005). Social marketing is growing in popularity in the connection between traditional business and consequential gain from the engagement with CSR. Critics however have expressed concern with some companies concentrating on dissemination of CSR values in reference to properly engaging with the act of CSR itself . For example, Topshop a major retail brand remained without a CSR programme until 2007 (Fletcher, 2008). The communication of CSR utilising social marketing methods is again an area that this paper has explored further with the approach of a sample of fashion retailers being tested.

According to Kapferer (2012), luxury brands are taking initiatives to put sustainability in their strategy or agenda but they have not been communicated or projected to the audience. These sustainable developments

can be considered as the initial step but are a long way from implementing a CSR as a strategy. Fletcher (2010) goes on to contend that sustainability occurs when social, economic and ecological factors are satisfied equally, and imbalance cannot be found.

Waddock (2004) begins to make the connection between supply chain transparency and CSR as it directly impacts on all three aspects of corporate behaviour: economic, social and environmental. Consequently, transparency is highlighted as a key component of CSR and sustainable business practices. Transparency can be categorised further into internal and external levels that reflects the nature of the corporate behaviour. Internal transparency refers to ethical and sustainable values being instilled throughout the company supply chain (Moore and Ditty, 2016), where as external transparency refers to the public disclosure of information related to CSR. The communication of CSR activity can be classed as external transparency, as it entails the outward disclosure of information to the public audience.

### **3. Transparent Business Practices**

A definition for supply chain transparency has been established by many scholars in previous research however these are varied, often adopting a different angle or approach. For example, Mol (2015) describes transparency as the disclosure of information, with specific attention paid to ethics and

sustainability. Whilst O'Rourke (2005) described it as a central factor on which to base judgement of a companies supply chain. The most basic definitions begin with the amount of information a company is willing to disclose about their supply chain practices (Carter and Rogers, 2008), adopting a trace and trace approach to production (Doorey, 2011; Laudel, 2010). Transparency has also been related to many similar business ethics practices including legitimacy (Carter and Rogers, 2008; Kell, 2013) accountability (Dubbink, Graafland and Van Liedekerke, 2008) and trust (Augustine, 2012). When exploring the relationship between the consumer and the retailer and the transparency of the fashion supply chain, these ethical practices are fundamental. Referring back to the aims the paper, the assessment of the engagement of the retailer in CSR activities closely analyses the accountability and responsibility of the company. However the involvement of the consumer within the study, also allows for the trust and accountability aspects to be explored. These factors will remain key the the study going forward and will be discussed again in detail during the discussion of the findings.

Increased transparency has also been described as a process, with the transference of power from the company to its external stakeholders also adding to the discourse (Martinez and Crowther, 2008). Other authors concentrate their work more on the rationale and consequences of increased transparency with Chapman (1995) believing that it can aid in consumers making a more informed decision in their purchasing practices. It is believed that this approach will enable the consumer to protect their interest and

values, giving them power within the fashion supply chain (Fung, 2013).

Egels-Zanden, Hulthen and Wulff (2015) take this a step further breaking transparency down into three different dimensions; the names of the product suppliers, sustainability conditions at these suppliers and the buying firms purchasing practices.

Many fashion brands are beginning to increase their compliance with transparent business practices, sharing vital details of their supply chain process with the public. Examples of retailers adopting this approach include G-Star and Patagonia who both provide public access to interactive supply chain maps, offering details of where their products are being produced. Rationale for engagement in supply chain transparency is becoming stronger, including it aiding in the sustainability attempts being made by companies (Egels-Zanden, 2007). MacLean and Rabernak (2007) also believe that engagement in transparent business practices can also increase brand trust with consumers and that they are more willing to purchasing goods from transparent companies than those not choosing to disclose information (Bhaduri and Ha-Brookshire, 2011). Again however, the success of this increase in transparency relies on the development of trust between the consumer and the retailer, referring back to the business ethics practices as previously discussed (Augustine, 2012).

Supply chain transparency remains important to external stakeholders as they often do not have access to internal company information (Tapscott and Ticoll, 2003). This also includes the consumer and therefore the

development of knowledge and awareness of the company's ethical and sustainable business practices relies on the disclosure of information in transparent supply chains. In some cases, transparency has been met with negative reactions from large corporations who argue that their supplier information is of great value and should therefore not be made public (Doorey, 2011). Disclosing this level of information however can be dangerous to brand reputation should an issue of non-compliance occur (Egels-Zanden et al, 2014; Mol, 2015). Examples of this have been seen time and time again with the most recent media expose showing key high street retailers including Zara, M&S and ASOS to be using child labour in their clothing supply chain. This kind of expose can heavily damage a brand's reputation resulting in years of recovery. This has been seen before in the early 2000's, where Gap and Nike were reported to have been using child labour in sweatshop conditions but since have made vast efforts to eliminate worker abuse (Arnold and Hartman, 2006). These incidents were investigated in the Panorama documentary 'No Sweat' in October 2000, commented on in the Guardian (Wazir, 2001) in an article in which Nike was accused of tolerating sweatshops. Both brands had also been mentioned earlier in the NGO campaigns in the 1990's that highlighted labour conditions with supply chains (Fletcher, 2008). However, this type of media expose has also been interpreted as a positive aspect of transparency as companies can be held accountable for their actions (Moore and Ditty, 2016).

Due to a number of high profile media stories regarding the fashion supply chain in recent years, it has been found that consumers are becoming

increasingly sceptical about the behaviour of companies. More recently, the collapse of Rana Plaza, an eight storey garment factory in Dhaka in Bangladesh in 2013 has had a major effect on consumer perceptions of the fashion industry. During the investigation into why the factory collapsed several factors were discovered that could have prevented the 1,129 fatalities and further 2,515 injuries (Butler 2013). It was found that the structure of the building was not sufficient to bare the weight of addition floors built previous without compliance with building regulations and standards (Bergman and Blair 2013). Although this was the deadliest garment factory accident in history (BBC, 2013), the profits of many of the retailers involved have not suffered, showing a lack of consumer identification with reality of where and how their fast fashion garments are made. The Rana Plaza accident was discussed by government at the time and produced the APPG report (2013) to investigate the matter. The report recommended that: Brands invest in up-skilling their supply chain by providing worker training, improving management techniques, and addressing working practises on the factory floor, but did not go as far as imposing these recommendations. A move towards a more transparent supply chain could aid in rebuilding this trust between fashion brands and their customers (Kang and Hustvedt, 2014) making CSR commitments more meaningful and influence consumer purchasing practices (Bhaduri and Ha-Brookshire, 2011; Mol, 2015).

### **3.1 Gap in Knowledge**

From the literature explored, it can be concluded that there is a clear business case for companies to engage in a greater level of CSR and as a

consequence greater levels of supply chain transparency. However there has been a gap in knowledge evidenced with regards to the consumer as an external stakeholder and the type of information that will encourage further engagement in ethical and sustainable issues. Brown and Dacin (1997) begin to touch on this referring to CSR having a positive effect on a persona evaluation of a brand. This also relates directly to the issue of brand trust highlighted by several authors (MacLean and Rabernak, 2007; Zadek and Chapman, 1998; Augustine, 2012), but not explored further. This study aimed to further explore this relationship between the consumer and the retail in the context of supply chain transparency, not only exploring the type of information wanted by consumers, but also how they wanted to receive it and the preferred communication methods implemented. It is this gap in knowledge that is preventing further change within the fashion industry and will be fundamentally addressed through the implementation of a qualitative methodology.

With this gap in knowledge acknowledged, the following hypotheses will be tested:

*There is a consumer demand for an increase in communication of CSR practices through greater transparent business practices*

#### **4. Methodology**

The study adopted a qualitative methodological approach, utilising five high street retailers as case studies with the application of a range of mixed methods. The primary data for the study was collected using a two phased approach; the first of which was a consumer questionnaire exploring the what consumers want from CSR information being communicated; the second worked with fashion retailers to draw upon a comparison of the type being provided to the public by the company themselves. This iterative methodology allowed for phase one to inform and direct the second, with the analysis criteria for phase two taken from the consumer questionnaire results.

As previously discussed, supply chain transparency can be split into two; external and internal. This study aimed to primarily explore external transparency in relation to consumers as key stakeholders in the fashion market. However, the incorporation of data collection with fashion retailers allowed for a certain level of internal transparency to also be explored. However, it was to be acknowledged that companies were unlikely to disclose all internal data due to the risk of exposing the company in their practices (Bartley, 2007). It was also acknowledging that sensitive material would also not be disclosed during the internal primary data collection (Doorey, 2011).

#### ***4.1 Phase-one: Consumer Questionnaire***

Phase one of the data collection worked closely with fashion consumers as external stakeholders within the context of the study. This phase aimed to determine not only if there is a demand by consumers for the provision of

information but also the type of information they want. The questionnaire also aimed to determine the level of transparency wanted by the consumers and how they would like to receive this information.

The questionnaire was circulated to a selected sample of participants, utilising a database of contacts from an established organisation working in the field of ethical fashion. This pre-requisite knowledge was essential due to type of information required. In addition to the database, the participation request was broadcast across social media networks such as Facebook and Twitter. During the circulation period, a total of 111 people participated, providing a broad spectrum of information. The questionnaire was designed to ask consumers directly both the methods they used to obtain retailer CSR information, and the type of information they required from their search. The survey utilised four questions in order to obtain this information, using multiple choice answers but also allowing participants an Other (please state) option, where they could manually input information of their choice.

For the analysis of the data, predominantly quantitative methods were applied due to there being certain instances where participants answered in a multiple-choice format. This allowed for answers to be analysed and conclusions reached quickly using a cumulative total or a mode. Data could then be visualised using mathematical tools such as graphs and pie charts to rapidly show participants preferential answers. However, where participants chose to input their own answer using the Other (please state) option, data was analysed using qualitative methods such as thematic grouping and

coding.

#### **4.2 Phase-two: Retailer Analysis**

Phase two of the data collection was an analysis of secondary information being provided by fashion retailers. Using a case study approach of five high-street fashion brands, the provision of information in the public domain regarding their ethical and sustainable practices via their online website was analysed (figure 1).

	<b>Merchandise</b>	<b>No. of Stores (UK)</b>	<b>No. of Employees (UK)</b>	<b>Employee Participants Interviewed</b>
Company A	Clothing, Home and food	Over 500	Over 50,000	Head of Sustainable Business
Company B	Clothing and Home ware	Under 500	Under 50,000	Global Ethical Trading Manager
Company C	Clothing and Home ware	Over 500	Over 50,000	Corporate Social Responsibility
Company D	Clothing	Under 500	Under 50,000	Senior Ethical Trade Manager
Company E	Clothing and Home ware	Under 500	Under 50,000	Head of Fashion & Sustainability Communication

Figure 1 – Case-Study Retailers

The high-street retailers were carefully selected for the inclusion in the study and offered a broad spectrum of the UK fashion, mass-market sector of the fashion industry. In addition to market level, these companies were also comparable due to their provision of womenswear and the presence of some level of CSR information on their website.

Due to the iterative nature of this two-phased approach, phase one of the methodology was used to provide an analysis criterion for this stage of data collection. During the consumer questionnaire, participants provided details of type of information they would like to be made available, through detailed analysis this information then informed the analysis criterion by creating 7 categories to be later analysed in retailer communication study. Details on these seven categories can be found below along with a working definition, which has been provided for the purposes of the research.

- **Supplier Ethical Standards** - A set of minimum standards of compliance given to suppliers prior to manufacture
- **Factory Lists** - Specific information given regarding the factories used to manufacture products, i.e. names, location
- **Retailer Code of Conduct** - A set of values that the retailer works to reflecting the philosophy of the company as a brand
- **Audit Process Details** - The process undertaken by internal/external auditors to assess the ethical standards of a factory
- **Minimum Wage** - The minimum amount of money workers can be paid in accordance to living costs in specific countries
- **Freedom of Association** - Giving workers the right to come together with others to collectively pursue common interests
- **Supply Chain Transparency** - Making all stages of the supply chain explicit and public

The above criterion was used to analyse the company websites to try and

identify evidence of the inclusion of this type of information and disclosure in the public domain. The level of transparency was also analysed in response to the quantity and depth of the information provided.

## 5. Consumer Questionnaire

As previously discussed, the online consumer survey consisted of four multiple choice questions. It was intended to keep the survey short and concise to encourage participation, whilst still collecting the data needed. During this section, for each individual question, a visual representation of the results will be presented along with a discussion of the impact of the result found.

### Question 1

*What sources of information do you rely on to inform you, as an individual of social and environmental issues involved in the garment supply chain?*

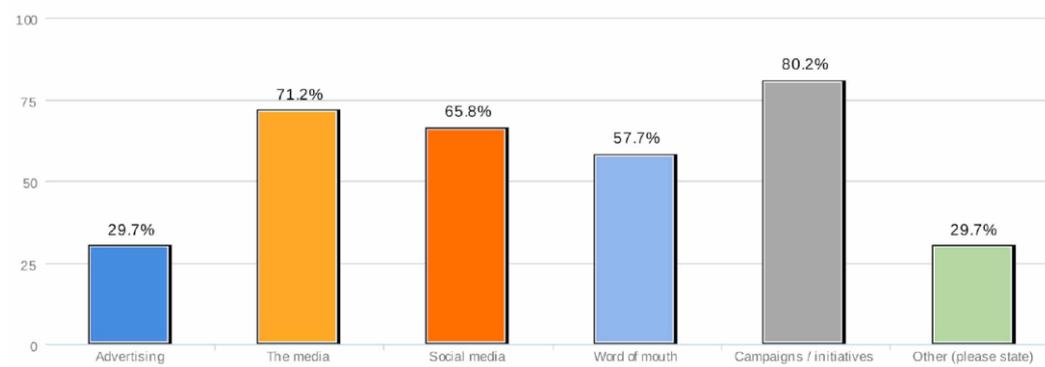


Figure 2 – Question 1 Results

This question was asked to find out the range of sources commonly used

by consumers to inform them of social issues within the garment supply chain. This was asked to address aim no.4, which was determining the best methods to engage consumers in the provision of transparent business practices. The question was multiple-choice, allowing the participants to tick as many answers that applied. The results of which show that 89 of the 111 respondents rely on campaigns and initiatives formulated by retailers and independent organisations to keep them up to date with relevant issues. This was closely followed by the media, with 79 of the participants in agreement. This relates back to the argument discussed earlier by Moore and Ditty (2016) where the media can have both a positive and negative effect on supply chain transparency.

The source with the least amount of participant votes was advertising, with only 33 of all participants saying that they relied on this as an informant. This may reflect a certain level of cynicism from consumers when looking to advertising due to the company bias and risk of greenwashing that may occur.

## **Question 2**

*Do you think it is the responsibility of retailers to inform consumers of social issues within the garment supply chain, or should this be the responsibility of the consumer as individuals?*

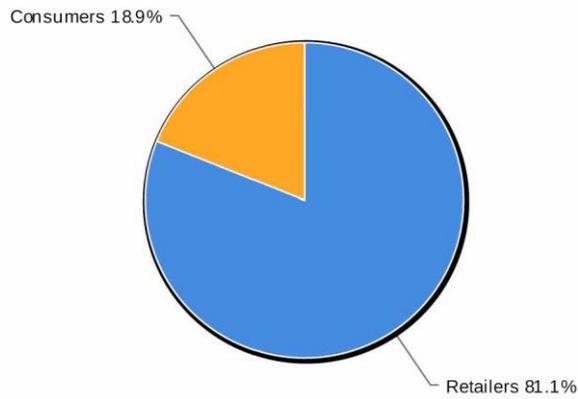


Figure 3 – Question 2 Results

This question was asked to address aim no. 3 and 4 and to determine not only which stakeholders were responsible for the provision of information regarding the supply chain but also gain insight into how to increase awareness of ethical and sustainable issues. Of the 111 participants, 90 of those thought that it was the responsibility of the retailer to inform consumers of social issues affecting the fashion industry. The remaining 21 thought that the onerous was with the consumer to inform themselves of such issues. These results show that a large proportion of participants agree that they want the retailers to enable further transparency with their business practices.

### **Question 3**

*When receiving information about retailer CSR (corporate social responsibility) values, what format would be most effective?*

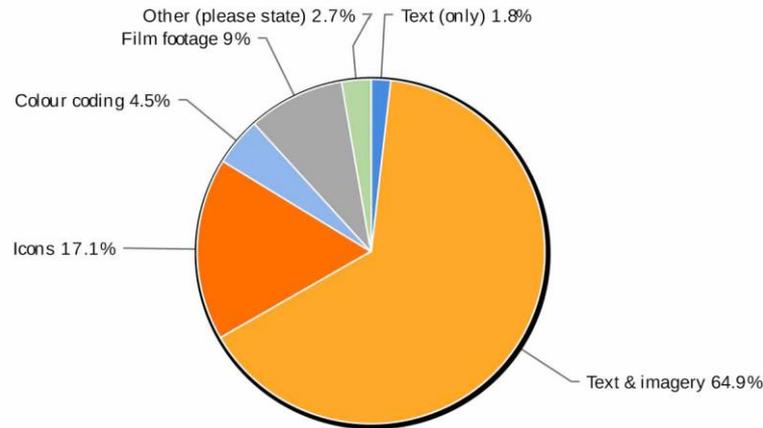


Figure 4 – Question 3 Results

This question addressed aim no. 4, trying to determine the best methods to utilise in order to engage consumers in the communication of ethical and sustainable values. The question provided participants with a number of suggested formats to choose from, including colour coding techniques and digital film footage. This relied on customers past experiences of information acknowledgement and to articulate what method works best for them as an individual. Question 3 was a multiple-choice question, where participants could only choose one answer.

The most popular answer with 72 of the 111 participants voting this way was text and imagery. When comparing this to the other results, it is the clear format choice, in direct comparison to imagery (only) where no participant thought this to be an effective method of communication. 17% of participants thought that icons would be a simple and quick method to communication information, yet only 5% thought that colour-coding methods would work for them.

#### Question 4

*When looking for retailer CSR (corporate social responsibility) information online, what information would you like to be made available?*

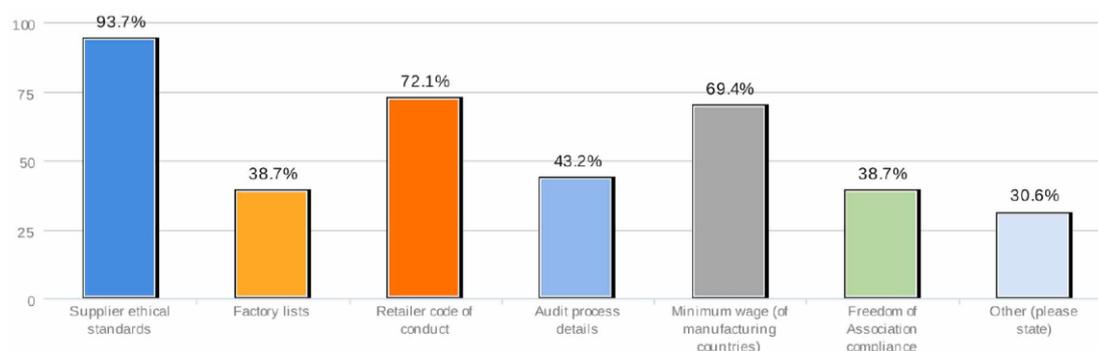


Figure 5 – Question 4 Results

This question directly addressed aim no. 2, exploring the type of information wanted by consumers regarding the fashion production process. This was a multiple choice question but participants could tick as many answers as applied. 104 of the 111 participants thought that retailers should provide information regarding their supplier ethical standards. This indicated that the participants surveyed have a high level of active interest in the social levels implemented by retailers throughout their supply chain. This also relates back to the work of Engel-Zandens et al. (2015) which stated that the sustainability standards of the production factories was one of the three key dimensions of transparency.

As evidenced, *supply chain transparency* was provided as one of the criteria as determined by the consumer questionnaire, meaning that this was also looked for when analysing the online information provided by the five fashion retailers.

The Other (please state) option in this question was popular with 34 people adding additional suggestions into the data. Answers provided ranged from the age of individual workers and details of sub-contracting to environmental impact and transparency of the whole supply chain. As this was an additional answer provided by the participants, it indicates that supply chain transparency is desirable amongst consumers (Augustine, 2012).

## **6. Retailer Case Studies**

As detailed in the methodology, five high street retailers were selected in order to adopt a case study approach for the second phase of the primary research data collection. The purpose of this phase was twofold; to ascertain the type of information currently being provided by the retailers and to also begin to make observations regarding the methods and tools being utilised during this communication exercise. As noted in aim no. 3 and 4, these observations would help to encourage further supply chain transparency and in turn, engage the consumer more effectively.

This process was carried out using the retailer websites and where relevant, corresponding CSR micro-sites. The online analysis was carried out from the point of view of the consumer, accessing only information that was attainable by the general public. As previously discussed, the criteria for the analysis was determined by the results from the online consumer survey with

the results presented below in figure 6. A traffic light system has been put in place when analysing these results which has then been colour coded for ease of indication. Red represents no evidence found, amber indicating little details provided and green meaning that a good amount of information has been made publicly available.

	Supplier Ethical Standards	Factory Lists	Retailer Code of Conduct	Audit Process Details	Minimum Wage	Freedom of Association	Supply chain Transparency
Company A	Red	Red	Red	Red	Red	Red	Red
Company B	Green	Red	Amber	Red	Amber	Green	Amber
Company C	Green	Amber	Green	Green	Amber	Green	Red
Company D	Green	Red	Green	Green	Red	Green	Amber
Company E	Green	Red	Green	Green	Red	Green	Amber

Figure 6 – Online Communication Study Results

As can be seen from the colour coded table above (figure 6) there was a great variance between retailers in the level of information made publicly available online. Company A for example provided no information regarding the study criterion, in comparison to company C, D and E who appeared fairly active in the communication on such issues. The collection of information of general observations however indicated that indeed Company A’s website provided a lot of general information regarding their sustainable and ethical actions, just not the specific information being identified during the study. Further observations identified will be discussed further in section 6.2.

To discuss the results in more detail, these will be broken down in to individual criterion to provide a broad overview analysis of the data collected. A comparison will also be made between the information found during the

online study, i.e. the information being made publicly available by retailers, and the data previously discussed found during the consumer survey, i.e. what information the consumers want to see.

- **Supplier Ethical Standards** – all but one of the five companies studied provided a good amount of information online adopting a transparent business approach. In comparison to the consumer survey, 93.7% of participants expressed their desire for knowledge on this subject to be made available to them. The study can conclude from the retailers studied, the majority are facilitating the need for public information.
- **Factory Lists** – all but one of the companies studied made no information available regarding their manufacturing factories. The one company who did make some information available detailed very little leading to an amber category in the data table (figure 6). In comparison to the information wanted by the consumers surveyed, 38.7% of which wanted to know the details of the factories used to produce their garments. This indicates that consumers are interested but this information is not their priority. Nevertheless, the companies did not facilitate this desire for further knowledge and would therefore be recommended in order to further engage consumer in transparent business practices.

- **Code of Conduct** - 72.1% of participants surveyed wanted information to be available regarding the code of conduct developed for the garment suppliers. When comparing this to the amount of information made available through the online communication study, 3 of the 5 retailers studied provided a good amount information on their website with a further company providing some information. This indicates that four of the five companies studied are currently responding to consumer demand regarding information on code of conduct practices.
- **Audit Process Details** – three of the five retailers studied provided a good amount of information regarding their auditing processes for manufacturers. In comparison, 43.2% of consumers expressed a desire for this type of information. Again whilst this was not a priority for consumers, this information was wanted by almost half of the participants. When comparing data, it can be seen that companies three of the five retailers are providing for this consumer demand for factory auditing details.
- **Minimum Wage** – 69.4% of participants surveyed expressed an interest in being able to obtain this type of information. Worth noting that from the five retailers studied only two provided minimum information regarding worker pay levels. This indicates that the demand for information is currently not being facilitated and could

potentially be putting off consumer's form engaging with ethical issues such a fair minimum wages for works in the fashion industry.

- **Free of Association** – 38.7% of participants surveyed wanted this information to be made available to a public audience. When comparing data, it can be seen that 4 of the 5 companies studied facilitated this want for information. All 4 of these companies also provided a good amount of information on their websites indicating that this is an important issue to companies and consumers alike.
- **Supply Chain Transparency** – as previously discussed, this was an additional category added in through the *other* category provided to participants to input their own amount of information. This indicated that the provision of information regarding supply chain practices in the fashion industry was important and should therefore be facilitated by companies to better engage consumers in transparent business practices. Three of the five companies surveyed provided limited information specifically highlighting transparent supply chain practices.

### **6.1 Communication Methods and Tools**

The approach used towards the communication study allowed for several observations to be made regarding the way retailers currently publicise their CSR messages to their customers, many of which were regarding the level or

type of information given. As previously discussed, the level of engagement in the relevant issues varied widely across the five companies studied, especially in categories such as supply chain transparency. Payton (2013) reiterates this, stating that for big companies with dozens of factories it is very difficult to trace everything. Whilst in contrast to this, it was also found that the majority of the retailers surveyed were happy to communicate information regarding supplier ethical standards and details on freedom of association on their website. This illustrated that retailers are happy to disclose information on issues which they feel happy with their level of participation, but also that complex, more detailed issues such as supplier ethical standards are better communicated on a platform such as their website apposed to in-store communication for examples, where messages would need to be short and to the point.

Branding was observed as communication tool utilised by some companies and not others, Company A and B for example were the only retailers of the five surveyed that chose to brand their CSR strategy in order to enhance the communication effectiveness. The repetition of visual identity may have also made it recognisable and easier to interpret for customers. In literature, the topic of branding arises with brands such as Fairtrade, Ritch and Schroder (2009) believe that it is a good example of a successful labelling initiative, with the logo said to be recognisable and understood by consumers. This branding is also said to be responsible for an increase sale of goods marketed under the Fairtrade label. Therefore, the conclusion that

can be reached is that the branding of CSR messages enhances the communication of information to consumers.

The format of information provided on the company websites was also observed which related back again to the consumer survey where preference of communication tools and methods was also explored. From the consumer survey results it was seen that 64.9% of participants wanted a mix of both text and imagery in order to engage with the communication of companies ethical and sustainable values. From the observations made it could be seen that the consideration of method and tools of communication were best considered with company A and B which also correlated with the branding of the commitments made. The communication methods used included imagery, videos and utilised tools such as narrative to get the information across to consumers. Company C and D in contrast used very little imagery in preference for large, word-heavy text documents which consumers may have found difficult to follow due to lots a jargon being used. Further to this, information was in some cases not available to read online where readers had to download PDF documents in order to find out more. Again this degree of effort may put consumers off further engagement with transparent practices in fashion.

Accessibility to information was also an issue that was observed during this study. In all cases, links on the main company website could be found, and in some cases pages were utilised but in others readers were re-directed to a micro-site which often had a much more corporate image where

consumers could not purchase items. This direction away from the product purchasing website again could have a negative effect on consumer attitudes, indicating that there is little relationship between corporate social responsibility and the fashion product being purchased. Again this further distances consumer for their regular purchasing behaviour and the engagement with supply chain transparency.

The level of information delivered also remains an issue within the communication of information pertaining to a transparent fashion supply chain. In some of the example companies studied, readers were bombarded with heavy, in-depth information, often delivered in a dull and boring method. As previously mentioned some companies provided information in a text document which could have potentially offered large quantities of information but have been very disengaging for the reader. When utilising methods of communication, companies must be careful of not only greenwashing, as discussed earlier, but also the level of information and language being provided.

## **7. Connectivity, Understanding and Empathy**

The issue of transparency in the fashion supply chain has been heavily discussed during this paper, with the focus being on the consumer and how to further engage them in more open and honest business practices.

However, there remain several barriers to changing consumer attitudes and

behaviours in this area including the perception of having to pay a higher price for more ethical and sustainable products. Devinney, Auger, and Eckhardt (2011) assert that the positive eagerness to pay is restricted to a minority and that the majority of shoppers couldn't care sufficiently less about organization's CSR strategies if it means paying a higher cost. It is believed that consumers are becoming more and more aware of what brands and garments they endorse, and as consumer's attitudes shift, so do company behaviours (Kaufmann, Fateh and Khan, 2012). Monroe (1999) alludes to *positive moral consumerism* when purchasers express an inclination for brands esteemed to be more moral and ethical. Further barriers which continue to discourage consumer from further engagement with transparent business models include availability, accessibility of more sustainable products. The rational choice model (Jackson 2006) indicates that consumers make choices by calculating individual costs and benefits. The failure to engage occurs when consumers have insufficient information in order to decide. This potential for the lack of consumer knowledge and awareness reiterates the need for a more transparent supply chain and new business model.

The subject of consumer engagement within sustainability has been previously explored with projects such as that carried out by DEFRA (Department for Environment, Food and Rural Affairs) in their Centre of Expertise on Influencing which explored sustainable lifestyles. During this project they developed the 4E's model, highlighting that there is no one single approach to further engage consumer in more sustainable behaviour. The 4

E's; *enable, engage, encourage* and *exemplify* demonstrates different methods and approaches which must be taken in order to influence consumer behaviour when it comes to sustainability (Jackson 2006). To contextualise this study within this framework developed by DEFRA, the conclusions reached will be considered within the positioning of the 4E's to further develop on the existing literature and research.

Transparency can be defined as the disclosure of information (Mol, 2015) which emphasises the need for further communication from companies to inform and raise awareness with consumers. This study has been focused on this communication and its potential to aid in further transparent business practices. Without this vital communication, it can be acknowledged that consumers generally have relatively little access to the fashion supply chain and what lies behind the retailer where clothing is purchased. Hence observing the supply chain, the relationship that retailers have with consumers is that not only of a provider of fashion garments but also a certain amount of control and influence over the purchasing process. With suppliers, their relationship is more customer based, where suppliers need to offer the right products at the right prices in order to maintain a business, working relationship. This again gives retailers a certain amount of power and control over the supply chain. In addition to the unique positioning of the relationships with the consumer and the supplier, retailers are often large organisations that in collaboration with others, could create leverage within the industry. It is this leverage or power to change that retailers must begin to use in order to

change both the supply chain and the purchasing process to that of more socially responsible behaviour.

Whilst in this powerful position, retailers are creating a barrier between consumers and suppliers, which is resulting in consumers often having little appreciation and the inability to relate to the social conditions in which fashion product is often made. With relatively low knowledge and awareness of the culture of a garment's country of origin, there remains a lack of connectivity between a consumer and workers employed in the garment industry. Consequently, consumers have very little to no connectivity with the people who produced the garment and as a result, have no empathy with their social situation. The lack of understanding means that consumer cannot relate to the culture in which garments are made or even imagine some of the poor working conditions often endured by garment workers. It is this lack of knowledge and connectivity that in the opinion of this research often inhibits a consumer from purchasing clothing responsibly. Figure 7 illustrates the current relationship that suppliers, retailers and consumers have and demonstrates the barrier that is being put in place by retailers between suppliers and consumers (James, 2015). This research suggests that with a better level of supply chain transparency, consumer understanding and awareness will be increased and consequently more sustainable purchasing practices.



Figure 7 – Supplier to Consumer Relationship (James, 2015)

To conclude, through an increase in supply chain transparency and increased communication of company's ethical and sustainable values, consumers could develop an increased understanding and appreciation of the garment manufacturing process. This increased knowledge would help develop a connection between the consumer and the supply chain leading to the creation of empathy leading to more sustainable fashion purchasing behaviour.

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