CHAPTER 4

Ethical and Sustainable Fashion

LEARNING OBJECTIVES

After you read this chapter, you will understand the answers to the following:

1. What are consumer and business ethics?
2. What is corporate social responsibility in fashion?
3. What is the dark side of consumer behavior?

Just as the Covid-19 pandemic destroyed many fashion businesses, in the years after the Global Recession of 2008 a lot of apparel companies were in dire straits. In the face of this crisis, one company actually prospered – and it did so by telling its customers not to buy its products! Patagonia made headlines in 2011 when the outdoor products company ran an ad that proclaimed, “Don’t Buy This Jacket.” The message bemoaned the environmental cost of producing one of its best-selling fleece jackets, and asked shoppers to think twice before they bought it rather than getting a used Patagonia product. Lo and behold: The company’s revenues actually grew by 30% in the following year, and by 2017 Patagonia reached $1 billion in sales.

How did it do so well during tough times? One important reason is that the company doesn’t just talk the talk on ethics and sustainability. It walks the walk by donating a portion of its revenues to environmental causes. It only uses recycled, Fair Trade certified and organic material, and it even powers its California HQ on solar energy. In addition to this, even though they update their ranges seasonally, Patagonia position themselves as an apparel company rather than a fashion brand.

In the wake of the coronavirus pandemic, Patagonia was one of the first to shutter its store for health reasons, and sales plummeted. Nonetheless, the company maintained connections with its avid followers by offering a variety of online courses to help people weather the (Continued)
storm such as yoga and gardening classes. Despite the hits that Patagonia took, its CEO claims that in the long-term Patagonia will benefit because the pandemic will encourage people to buy items that last. She says that the crisis has reminded people “…of the value of wild and open spaces and clean air and clean water and if we can channel that to some good, all is not lost.” Patagonia is one of the most notable companies that thrive on the maxim, “Doing well by doing good.”

Consumer and Business Ethics

In business, conflicts often arise between the goal to succeed in the marketplace and the desire to maximize the well-being of consumers. Marketers wrestle with these questions all the time: how do I maintain a competitive edge while at the same time providing safe and effective products and services that meet my customers’ needs and are beneficial (or at least not harmful) to society? Where is the social or moral line when producing, promoting, and selling products? Sometimes personal ethics clash with business ethics, which can be problematic for employees who feel that their company is not being ethical. And consumers are by no means perfect either; sometimes they do things that cross the line.

Do you think consumers are usually concerned about who made the shirt they are likely to buy? Or how much they got paid to make it? Or how much profit the company made from it? Certainly, awareness is growing about these concerns. For example, at numerous universities around the world students are demonstrating against their university’s role in selling sweatshop-made apparel in their campus store.

Business and Personal Ethics: Doing Well by Doing Good

**Business ethics** are rules of conduct that guide what companies do in the marketplace—the principles most individuals in a culture view as being right, wrong, good or bad, socially acceptable or unacceptable. **Personal ethics** are similar codes of conduct that guide our daily living as individuals. These universal standards or values include honesty, trustworthiness, fairness, respect, justice, integrity, concern for others, accountability, loyalty, and responsible citizenship. However, while “everyone” supports these ideas, their definition of just what constitutes abstract values like fairness and integrity may differ.

Industry is increasingly coming to realize that ethical behavior is also good business in the long run, since the trust and satisfaction of consumers translate into years of loyalty from customers whose needs have been met. Consumers think better of products made by firms they feel behave ethically. In fact, social responsibility regarding issues such as labor practices and environmental issues is now the most important criterion consumers use when they decide which companies to patronize. That helps to explain why a lot of companies today try to follow a new mantra: Doing well by doing good.
Sometimes, ethical decisions can be costly for businesses in the short term when they result in lost revenue. For example, when Kim Kardashian launched her first fashion brand named Kimono, she faced a backlash from Japanese consumers over the use of the brand name. They accused her of cultural appropriation. Following this, Kim had to rename the brand “SKIMS.”

Whether purposely or not, some companies do infringe their pledge of trust with shoppers. Table 4.1 illustrates some unethical business conduct. Production of flammable apparel and of toys with an excessive amount of chemical plasticizers that may cause poisoning to kids, excessive price mark-up, exaggerated claims and deceptive ads illustrate examples of what some people feel are unethical business behaviors. In certain situations, these activities may be illegal, as when a firm intentionally mislabels the ingredients of a package or a company implements a “bait-and-switch” selling strategy, whereby shoppers are enticed into the store with promises of cheap items in order to make them convert to higher-priced products.

### TABLE 4.1 Unethical business conduct

<table>
<thead>
<tr>
<th>Product</th>
<th>Example</th>
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<tr>
<td>Safety</td>
<td>Production of flammable apparel</td>
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<td></td>
<td>Production of toys with an excessive amount of chemical plasticizers that may cause poisoning to kids</td>
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<td>Poor-quality items</td>
<td>Items that cannot withstand ordinary wear and tear</td>
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<tr>
<td>Environmental pollution</td>
<td>Using polluting dyes and chemicals in apparel and fabric manufacture</td>
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<tr>
<td>Mislabeled products</td>
<td>Identifying the wrong fiber content or country of origin on apparel</td>
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<td>Brand counterfeits</td>
<td>Counterfeit goods labeled and sold as the genuine brand</td>
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<tr>
<td>Price</td>
<td>Excessive markups</td>
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<td></td>
<td>High prices used by retailers to connote quality</td>
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<tr>
<td>Price comparisons</td>
<td>False original price for sale price to appear as a bargain</td>
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<td>Promotion</td>
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<td></td>
<td>Cosmetic ads claiming to change skin structure</td>
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<tr>
<td>Tasteless advertising</td>
<td>Sexual innuendos and gender disparagement</td>
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<tr>
<td>Deceptive advertising</td>
<td>Lose pounds with no diet or exercise</td>
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<tr>
<td>Captive audiences</td>
<td>Mandatory TV commercials for schools subscribing to closed channel newscasts</td>
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### Ethical Pain Points for the Fashion Industry

#### Use of Fur and Exotic Skins

Some consumers feel strongly that the use of animal fur is not ethical or moral. The antifur movement has been the most visible arm of the animal rights movement. Up until the 1980s, fur was synonymous with luxury, signifying a status symbol for a lot of women. After many years of activists protesting the use of animal fur to decorate consumers in the form of fashion (and the protests still continue today), there is a concurrent resurgence in the interest in using furs.
The early 1990s saw a low point for the fur industry; many consumers felt it was politically incorrect to wear fur, and fur salons in upper-end department stores closed. In 1994, Calvin Klein refrained from using fur in its collection, the year during which PETA launched a campaign including renowned top models such as Naomi Campbell, Claudia Schiffer, and Christy Turlington, who stated they would “rather go naked than wear fur”.

Over the last few years, animal rights activists were able to force quite a lot of high-end luxury labels to stop using fur. For instance, brands like Stella McCartney, Donna Karan/DKNY, Gucci, Michael Kors, Vivienne Westwood, Jimmy Choo, The Kooples, Donatella Versace, Burberry, Maison Margiela, Phillip Lim, Coach, DVF, and Prada have stopped using real fur in their collections.

In addition to the use of fur, consumers concerned about animal welfare are also calling upon companies to stop using exotic skins. In 2018, the luxury brand Chanel decided to ban the use of exotic skins (e.g., snakes, crocodilians, lizards and galuchat) given that it was hard for the company to find responsibly sourced skins. In 2020, Selfridge’s department store banned items such as watches, luggage and handbags that are produced from python, alligator, crocodile or other exotic animal skins. The retailer committed to only offer items with leather obtained from agricultural livestock.

Animal Testing

Perfect365, a free make-up and beauty platform with more than 100 million users, conducted a cruelty-free beauty survey with 15,000. The results showed that 36% of the respondents will only purchase products from cruelty-free beauty brands. Given this growing sentiment, it’s not
surprising that the industry is scrambling to make changes in its long-established practice of
safety testing on animals before they launch their products.

Many companies have changed their policies over the past years to reassure consumers that
they are adhering to rigorous cruelty-free standards. Already, the prominent retailers The Body
Shop and Lush are “cruelty-free”. And many renowned brands have announced bans on ani-
mal testing, such as Illamasqua, BareMinerals, Fenty Beauty, Charlotte Tilbury, Urban Decay,
NYX Cosmetics, Marc Jacobs Beauty, and Anastasia Beverly Hills.\textsuperscript{16} In addition, some govern-
ments are stepping up: bans on animal testing are now in effect in the European Union, India,
and Norway.\textsuperscript{17}

Estée Lauder stated that it was expanding its collaboration with the Humane Society International
and entering into a new agreement with Cruelty Free International. These activities denote an
important move towards animal welfare, as the company is considered one of the leaders in the
beauty and cosmetic industry. With this, the Humane Society International promises to “bring an
end to cosmetic testing on animals by 2023.”\textsuperscript{18}

Offensive Fashion Advertising and Products

Until the early 1960s, fashion magazines did not give advertising or editorial space to underwear
because the items were too personal in nature and made consumers uncomfortable.\textsuperscript{19} But as society’s
attitudes toward sexuality changed, so too did fashion advertising. A controversial 1980s campaign
for Calvin Klein featured the actress Brooke Shields saying, “Nothing comes between me and my
Calvins.” That imagery may actually seem tame to some of us today, as standards of “decency”
continue to evolve. Calvin Klein’s overly sexualized advertising campaigns during the 1990s were
denounced for encouraging sexual promiscuity, teenage sex, and anorexia.\textsuperscript{20} In 2007, Tom Ford’s for
Men fragrance campaign was banned as one of its photos featured a bottle wedged between a female
model’s naked breasts.\textsuperscript{21} However, attitudes towards offensiveness differ across regions and cultures,
as evidenced by attempts to export overly
provocative fashion advertising imagery to
conservative regions like the Middle East
where they are typically not accepted.\textsuperscript{22}

But standards appear to be moving in
the opposite direction more recently, as
women have begun to push back against
overly sexual advertising messages that
they find objectionable. For example,
American Apparel has long been known
for its provocative and controversial cam-
paigns, featuring young-looking models
including pornographic actresses, such
as Charlotte Stokely. In 2014, the British
Advertising Standards Authority (BSA)
banned the company’s advertising in the UK, stating that “We considered the images were gratuitous and objectified women, and were therefore sexist and likely to cause serious and widespread offence.” Victoria’s Secret in particular has seen its business suffer dramatically due to what many consider an outmoded view of female sexuality. In 2019, Karlie Kloss, the top model and previous Victoria’s Secret Angel commented, “The reason I decided to stop working with Victoria’s Secret was I didn’t feel it was an image that was truly reflective of who I am and the kind of message I want to send to young women around the world about what it means to be beautiful.”

Why is sex so common in fashion advertising? The answer is twofold: 1. It quickly establishes a daring or cutting-edge image for a brand; and 2. It gets our attention. However, research shows that female nudity in ads generates negative feelings and tension among female consumers, so the tactic can be counterproductive. And ironically, a provocative picture can be too effective; it can attract so much attention that it hinders processing and recall of the ad’s contents. Sexual appeals appear to be ineffective when marketers use them merely as a “trick” to grab attention. They do get noticed—but many viewers don’t recall what the ad was plugging.

Not only ads but sometimes products can be offensive to consumers. T-shirts with offensive sayings glorifying drunkenness or mocking minorities have prompted many complaints to companies such as Abercrombie & Fitch, Urban Outfitters and Topman among others. Adidas and Prada were both forced to make an apology and remove items criticized as racist. The upsetting Prada product was a monkey key-chain criticized as resembling blackface imagery. As for Adidas, the offensive product was a white pair of shoes in a collection of apparel and sneakers inspired by the Harlem Renaissance movement, and aiming to pay tribute to Black History Month. One analyst described the product as “a swing and a miss.”

Consumer Data Privacy

We might remember 2018 as the Year of Privacy: The GDPR (General Data Protection Regulation) became official, California signed into law its Consumer Privacy Act, Equifax discovered a huge
consumer data breach, and Facebook was discovered to be mismanaging personal data. Under Armour, the athletic clothing producer—that acquired MyFitnessPal in 2015 for $475 million—also suffered from a massive data breach in 2018, with stolen information involving account usernames, email addresses and passwords for the MyFitnessPal mobile app and website.

Consumer data privacy is a hot topic today. Studies indicate that more than 90% of shoppers are worried about their privacy when they buy online and almost 50% have restricted their online activity as a result of privacy concerns. The misuse of data security is no longer something that the public will tolerate. Consumers are becoming very vocal, and they are more and more willing to take actions against brands that violate their trust. Today, a growing number of consumers are trying to protect their privacy by becoming privacy enforcers—notifying regulators of companies' misconduct, signing up for class-action lawsuits, and boycotting firms that fail to protect their privacy.

While gathering consumer data is a normal practice nowadays, firms should use this information with caution. A lot of firms collect this information in order to better understand their customers, be able to satisfy their needs and wants, and provide them with a better experience. What is more important in this case is the reason for gathering the data, how it is to be protected, and whether people accept the way the data is used. New laws set by the European Union’s GDPR and the California Consumer Protection Act (CCPA) require firms to implement ethical data procedures. “Businesses in those jurisdictions are now obligated to disclose all the information they have collected about a person upon that person’s request, including a complete list of third parties with whom the data has been shared. Perhaps most importantly, when a consumer demands their data be erased, a company must comply or face legal ramifications.”

Corporate Social Responsibility

Corporate Social Responsibility (CSR) describes activities that organizations perform to benefit society and to “give back” to their stakeholders in the community. The three pillars of CSR are: Profit, People and Planet, which refer to the economic, social and environmental consequences of corporate behavior. The best ways to practice CSR include making charitable contributions, encouraging employees to volunteer for philanthropic activities, and of course to be responsible corporate citizens that minimize their negative impact on the environment. In this section we will cover the social aspect. In the next section we will cover the environmental aspect of CSR.

Companies recognize that socially responsible activities can improve their image among consumers and stockholders, and consequently influence purchasing decisions. This road is a bit tricky, as many of today’s consumers look closely at companies to decide whether they are walking the walk, rather than just talking the talk, when they say they really want to improve their business practices.

Today, luxury and fashion companies are working hard to promote their CSR practices through philanthropic practices supporting the community while designing programs that are particularly associated with children’s welfare and facing unemployment. Some companies create special products to sell in support of a designated charity. For example, sales from a special Michael Kors’ “Watch
Hunger Stop" T-shirt supports the World Food Programme (WFP) and fights the worldwide Covid-19 pandemic. Another example is Louis Vuitton which, in 2021, created a new silver Lockit bracelet and Doudou Teddy Bear to commemorate its partnership with UNICEF. When consumers buy these products, they contribute to UNICEF’s work on giving access to water, sanitation, nutrition, education and more to children who are in need around the globe.40

Many companies promote causes because it is good for business as well as improving our lives—we call such actions “doing well by doing good.” A case in point is breast cancer. This deadly disease affects 2.1 million women every year, and women are the main consumers of fashion, so the industry has rallied to support this cause.41 Many apparel companies, manufacturers, and retailers have become well known for their work in many social causes:

- Rihanna’s Savage x Fenty lingerie brand is giving profits from the sales of its pink lingerie styles to the Clara Lionel Foundation in order to support young women who are fighting aggressive types of breast cancer.
- Levi Strauss has a Foundation whose mission is to improve lives in communities where Levi’s has employees. For more than 65 years, the foundation has been involved in creating advance revolutionary social change in the areas of HIV/AIDS, worker rights, worker well-being and social justice.42
- The Selfridges Group Foundation, established in 2015, contributes to a number of charitable practices with one focus on funding scientific studies that help to treat neurodegenerative, Alzheimer, and Parkinson diseases.43
- In order to fight Covid-19, the luxury Group Kering contributed three million surgical masks to the health service in France.44
- Brands like Balenciaga and Yves Saint Laurent converted their workshops in 2020 into the production of surgical masks to combat the coronavirus.45

**Labor Issues and Exploitation**

*Global sourcing*, or manufacturing in countries around the world, has stimulated much interest and concern among the public regarding human rights. Consumers and critics are showing their displeasure over what is perceived as a lack of ethics, social responsibility, and conscience of large fashion companies and those who produce their products in developing countries for wages as low as 51 cents an hour such as in Bangladesh and Vietnam.46 Some consumers are aware of this and will not purchase products made in these countries.47 However, many others are unaware of the controversy; perhaps they assume that if their favorite retailer offers a garment in its inventory, the company must have chosen suppliers that exhibit responsible labor practices.48

Some major companies are responding to these concerns although there is much more to do. Adidas and Lululemon stopped working with suppliers that rely on recruitment agencies to hire new employees. They are requesting these factories to directly hire their employees to control or reduce labor exploitation.49
However, difficulties remain, mainly at the bottom of the supply chain, where a lot of firms have minimal visibility. Many companies outsource the actual manufacturing to factories in developing countries where wages (but also oversight) are dramatically lower.

Child Labor and Human Trafficking

Concerns about working conditions in manufacturing facilities extend beyond long hours and poorly ventilated areas. There is also a lot to be done to combat the problem of human trafficking, where underage workers labor against their will. For example, the production of raw materials such as cotton and silk remains a main threat for firms as these materials are usually supplied from countries such as India, where the use of child labor is common. Other main resources needed in the fashion industry and which are thought to be extremely risky for child labor are cashmere originally produced in Mongolia and rubber sourced from Indonesia, Malaysia and Thailand. Wool is considered the only raw material that is not plagued by problems with child labor.

Although many of these violations occur in factories that produce high volumes of inexpensive garments to feed the fast-fashion machine, there also are some luxury brands that have their own problems. According to the nonprofit group KnowTheChain, some luxury companies such as Prada, Salvatore Ferragamo, Fendi, and Christian Dior are more likely to hire employees who are vulnerable to abuse in textile workshops.

While a number of brands focus on their Tier 1 suppliers and producers (the companies that supply directly to the brand), a number of orders are subcontracted through Tier 2 suppliers (for example those companies who manufacture the raw materials to be used in the finished item). According to journalist Shraysi Tandon, “...the people putting on the buttons or putting on the soles to your $500 shoes are often trafficked and invisible.”

One problem with analyzing compliance with labor laws in overseas apparel production is the lack of a standard, recognized evaluation model. However, improvements are occurring in the industry with audits being conducted by companies such as SGS, largely due to increasing public awareness of the deplorable conditions in such factories. Pressure comes from grassroots activism, shareholder activism, and media attention to get companies to take responsibility for their supply chains.

For example, for at least the past decade both Nike and Gap have been criticized for their use of sweatshops. Due to such social pressure, both have recently taken the important step toward taking responsibility for suppliers by releasing detailed supplier and audit information. After more than 1,100 employees
died in an apparel manufacturer’s building collapse at the Rana Plaza in Bangladesh in 2012, more pressure has been exerted on Western companies to become more transparent about their supply chain.

Marks & Spencer even allows its customers to see its supply chain by placing a factory map on its website, posting where exactly its different product categories are produced including apparel, home furnishings and food. Indeed, according to the Global Fashion Agenda (GFA), around 12.5% of the international fashion market, as well as giant retailers such as Nike, Adidas, Levi’s and Gap, have committed themselves to achieve sustainability targets, which also comprises listing all the suppliers they partner with. For instance, for its online shopping, the brand Arket provides full details for each item such as the type of material in addition to the factory that has produced the item. “When we communicate that, customers have the option to make more sustainable choices,” says Karin Brinck, sustainability manager at Arket. “We see transparency as one of the means for our industry to drive positive change through increased openness.”

College students have also organized some movements such as United Students Against Sweatshops and have pressured university officials to take a tougher stand against sweatshop labor by joining the Fair Labor Association (FLA). The FLA was formed as part of the Apparel Industry Partnership, a White House task force set up in 1996 to combat sweatshop conditions internationally. Student protests appear to have had an effect. For example, the University of California (UC) added provisions to its code-of-conduct policy requiring a living wage and disclosure of names and addresses of its manufacturing plants, and it added protection for female employees working for contractors that produce university-logo products.
Cultural Exploitation and Appropriation

One of the reasons for controversies in the apparel industry is that it is a global industry. Each country has its own mix of customs, laws, values, and ways of doing business. However, the companies that commission many of the products that are made in developing countries generally try to apply a common perspective when they formulate their codes of conduct. For example, some firms commit to the principles of the United Nations Sustainable Development Goals that address major societal issues such as ending hunger, poverty, and labor exploitation.\(^{59}\)

Fair Trade Fashion

**Fair Trade** is defined by the World Fair Trade Organization (WFTO) as “...a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade.”\(^{60}\)

A global movement toward acceptance of this standard was accelerated by the fallout from the terrible factory collapse of the Rana Plaza in Bangladesh we referred to earlier, an industrial disaster that killed 1,134 employees. This prompted the filming of the movie *The True Cost*, which increased people’s awareness of the high level of continuing abuses of workers’ rights in the developing world and the lack of environmental regulations imposed upon fashion firms and suppliers. Fair Trade fashion moves beyond only showing where the item is made. It requires ensuring producers are paid fairly and clearly revealing to the final consumer who is the real manufacturer of an item.\(^{61}\) For example, the manufacturer Fair Indigo (www.fairindigo.com) uses Latin American suppliers that pay more than the minimum wage and offer other benefits such as medical treatment to their workers.

Fair Indigo provides “...sustainable lives for the world’s garment workers. Our artisans and operators in Peru are paid a fair and living wage and treated like family, giving them the means to a healthy, happy life”.\(^{62}\)

Consumers increasingly look for a “Fair Trade” label when they choose a garment to ensure that it has been manufactured using acceptable standards.\(^{63}\) For example, one study reported what it called a “fair-trade halo effect”; 81% of American respondents said they would view a brand they already buy more favorably if it carried a fair trade label.\(^{64}\)

This movement toward **ethical fashion** is gaining traction among both new and mainstream companies such as Nike. In 2013, the World Fair Trade Organization developed a new Fair Trade production labelling scheme that assures Fair Trade principles are reached across the supply
chain, a guarantee that firms are meeting their ethical standards. Insertion of a World Fair Trade Organization label on a fashion good confirms to the user and consumer that the producer obeys the following principles of Fair Trade:

- Generating opportunities for economically disadvantaged producers
- Transparency and accountability
- Fair trading practices
- Payment of a fair price
- Ensuring no child labor and forced labor
- Commitment to non discrimination, gender equity and women’s economic empowerment and freedom of association
- Ensuring good working conditions
- Providing capacity building
- Promoting Fair Trade
- Respect for the environment.

**Fashion Sustainability**

The textile and fashion industry makes up a big portion of the world’s most polluting industries. Apparel is usually produced from oil-based materials or resource-intensive agricultural goods such as cotton. Production practices often include harsh chemicals and huge volumes of water; millions of tons of apparels end up in landfill on a yearly basis. Many feel the textile and fashion industries pose a serious threat to the environment due to the chemicals and finishes they use in fabric production; the pollutants in detergent consumers use to launder their clothing; and, most important, the underlying principle of the fashion industry—encouraging people to replace their clothing as frequently as possible. These factors combine to make the fashion industry a huge global polluter. It’s estimated that 6.3% of all waste buried in landfills around the world is made up of postconsumer textiles. In fact, the global apparel sector has the fourth largest environmental impact after housing, transportation and food. Around 90% of old clothes are either thrown away or burned rather than recycled in some way.

But is it possible to be both fashionable and environmentally friendly?

**Fashion sustainability** is becoming more and more important, and consumers are forcing fashion brands to become more environmentally responsible, even as they move away from the waste of fast-fashion and show more interest in buying second hand. Sustainability refers to using natural, biodegradable textiles in apparel, decreasing water use, or starting recycling programs. Many retailers and manufacturers are currently attempting to meet the needs of consumers while at the same time staying true to their values of adhering to strict sustainable practices.
in the production of their product. It is not always easy being “green”, as some companies and consumers have discovered. It’s a balancing act for many companies, between profit and green policies. Many apparel, fashion, and catalog companies have attempted to offer consumers green alternatives. The following are just a few:

- Body Shop is a London-based cosmetics specialty chain that sells natural cosmetics and promotes saving the rain forest, protecting whales, and warning against the dangers of acid rain. None of the company’s products are tested on animals and are labeled as such. It encourages customers to return empty containers for a refill at a reduced cost.

- Adidas uses plastic recovered from the ocean to form the upper parts of shoes and clothing, such as jerseys. It also has the Parley collection which is made from almost 75% captured marine trash. Presently, more than 40% of Adidas’ apparel is produced from recycled polyester and the brand aims to replace all virgin polyester with recycled polyester by 2024. Adidas is also working on creating a 100% recyclable shoe to be released in 2021; the Futurecraft Loop. The concept behind this shoe is that it can be broken down and transformed into a brand-new pair if returned.

- Rens, a Finnish footwear brand, launched its Kickstarter campaign in order to fund the manufacturing of their sustainable waterproof footwear. Every pair of sneakers is made from 300g of coffee waste and six plastic bottles, is 100% waterproof, and has built in odor-proof, moisture-wicking, and UV-resistant properties. This brand’s shoes also follow an animal free design, and it avoids using polyurethane or virgin plastics.

- Zara announced that it aims to source and produce more sustainable items. It recently launched a collection made from sustainable raw materials and all items will have a “join life” tag on them. The collection includes puffer jackets made from stuffing from retrieved textile products as a way to eliminate waste, and knitwear made from 100% recycled cashmere.

- Burberry decided to refrain from destroying unsold fashion goods for the sake of protecting its brand image after the brand became a symbol of the industry’s wasteful performers, destroying almost $40 million worth of stock in 2018, resulting in a controversy over waste in the fashion industry.

- The Giving Movement, a Dubai based company is committed to the use of recyclable material produced from waste of water bottles and certified organic bamboo. For its packaging, the company makes use of bio-degradable plant starch.

**Upcycling**

It is definitely time for the fashion industry to start making a change when it comes to its wasteful production processes. While the fashion industry produces a lot of waste that ends up in landfills, what’s even worse is that less than 1% of discarded apparel products are reused to produce new clothes.
That’s why sustainable fashion is becoming more relevant and common with brands trying to use recycled materials in their collections. Some fashion companies decided to take it a step further and rely on **upcycling** throughout their production.

It is important to distinguish between upcycling and recycling. Upcycling, also known as *creative reuse*, is the process of reusing existing products or waste and transforming them into new products, like converting an old shirt into a dress. Recycling is using materials that have been previously broken down. Here are some examples of companies that followed this approach:

- **For its ReCrafted line**, Patagonia manufactured around 10,000 jackets, sweaters and bags upcycled from old clothes. Alex Kremer, who is Patagonia’s director of corporate development, observed that it was a very challenging task to work and repurpose old garments because the process consumed a lot of time and effort especially when trying to come up with creative ways to transform old fabrics into new clothes. Despite the hardships that the brand faced, Kremer said that the most important thing to focus on is reducing waste and engaging in a more circular economy for the sake of the environment.

- **Burberry** also tackled the issue of waste by partnering with the luxury brand Elvis & Kresse in order to make use of its leather offcuts and potentially transform them into brand new handbags and accessories.

- **Reformation** is an LA fashion brand that also implemented upcycling by salvaging fabric that hasn’t been used or sold from other fashion companies, in addition to using eco-friendly fabrics and transforming them into vintage clothing items that even include glamorous wedding gowns. The brand newly created a mobile application that informs you how much water and energy you would be saving if you purchase from their stores since all of their business operations are sustainable in nature.

- **Vanina**, a brand based in Beirut, worked on creating unique and youthful accessories inspired by art and nature using upcycled materials and relying on zero-waste methods for the production process. You can consider this brand as the perfect blend of craftsmanship coupled with a lot of environmental awareness.
One can only wonder what’s next for upcycling. Who knows, maybe the nearest item to you right now has the potential to be completely transformed into a one-of-a-kind masterpiece.

Is Fast-Fashion Dead?
The slow fashion movement is part of the sustainable fashion we discussed earlier. This movement appeared as a response to Fast-fashion cycles and the “unsustainable” business evolution. While fast-fashion has transformed the retail landscape over the past few years, some are questioning whether its death is imminent. Fast-fashion emphasizes short production times and cheap prices for the sake of creating new collections inspired by the fashion runway; nonetheless, its practices are harmful to the environment. Criticisms of fast-fashion are related to its environmental impact, water pollution, and its usage of toxic chemicals and growing amounts of fabric waste. Can sustainable fashion be the reason for the death of fast-fashion?

According to an article in Drapers, “Jonathan Reynolds, associate professor in retail marketing at Saïd Business School, University of Oxford, says the demise of fast-fashion is ‘a matter of when, rather than whether’. [...] Achim Berg, senior partner and global leader of the apparel, fashion and luxury group at McKinsey & Co, believes fast-fashion is likely to survive, but with different dynamics.” So how can fast-fashion retailers fashion a new business model that will allow them to survive?

Some fast-fashion companies are exploring the new dynamics that could lead to the idea of a circular economy, a concept related to redefining growth and focusing on creating positive benefits for businesses, the environment and society at large. It involves the slow disassociation of economic activity from the consumption of limited resources. This model is based upon three principles:

1. Design out waste and pollution
2. Keep products and materials in use
3. Regenerate natural systems

When it comes to the fashion industry, a circular economy is generally attained by creating enduring, timeless items (as opposed to seasonal items) and a number of “Re-s:” such as repair, reuse, recycle, refurbish to lengthen the lifetime of a certain good. A number of fast-fashion brands have in fact initiated collection and recycling programs, whereby consumers can drop off fabric and apparel that they do not want any more for other companies to recycle. A good example is H&M’s recycle bins that were a part of the “H&M Conscious” campaign. Customers were encouraged to drop off their old clothes in the recycling bins found in stores in exchange for a 15% discount code on their next purchase. H&M recently created the Conscious Collection, a limited collection that informs shoppers where the items are made, the specific textiles that were used in production, and the names of the suppliers that were involved. However, the “H&M Conscious” campaign has been highly criticized as consumers have questioned the extent to which the company can lessen the enormous and mounting impact it has on the environmental. Some advocate that this campaign was just “greenwashing,” diverting from the degree of the damage the company does, and even enhancing sales.
Further to this, H&M is investing in innovative firms that are leading the movement toward circularity such as re:newcell, Worn Again, and Treetotextile.\textsuperscript{91} Inditex, the owner of Zara, has also followed this market demand, whereby the firm announced that all apparel will be manufactured with the use of 100% sustainable or recycled materials by 2025.\textsuperscript{92}

However, with no clear messaging around how they will achieve this, it’s one thing to talk the talk, and quite another to walk the walk. How might you help to track the industry’s progress, or even encourage change yourself?

The Dark Side of Consumer Behavior

Despite the best efforts of researchers, government regulators, and concerned industry people, sometimes consumers’ worst enemies are themselves. Individuals often are depicted as rational decision makers, calmly doing their best to obtain products and services that will maximize the health and well-being of themselves, their families, and society. In reality, however, consumer desires, choices, and actions often result in negative consequences to the individual and/or the society. Some consumer activities stem from social pressures, and the cultural value placed on money can encourage activities such as shoplifting or fraud. Exposure to unattainable media ideals of beauty and success can create dissatisfaction with the self.

Addictive Consumption

**Consumer addiction** refers to a physiological and/or psychological dependency on goods or services. While most people equate addiction with drugs, virtually any product or service can be seen as relieving some problem or satisfying some need to the point where reliance on it becomes extreme. Indeed, some psychologists even raised concerns about “Internet addiction,” in which people (particularly college students) became obsessed by online chat rooms to a point that their virtual lives took priority over their offline lives.\textsuperscript{93}

Compulsive Consumption

For some individuals, the term “born to shop” is taken quite literally. These individuals engage in buying since they feel compelled to do so rather than because buying is a pleasurable or functional activity. **Compulsive consumption** refers to regular and excessive buying, as a result of tension, anxiety, low self-esteem, depression, feelings of guilt or even boredom.\textsuperscript{94} “Shopaholics” become obsessed and dependent on shopping in a similar way to people who are addicted to drugs or alcohol.\textsuperscript{95}

Compulsive buying is particularly different from impulse buying. The impulse to purchase a precise good is momentary, and it mainly focuses on a given item at a certain time. However, compulsive buying is a lasting behavior that revolves around the practice of buying instead of the purchased items themselves. Have you ever heard of the lady who owns 1200 pairs of lavish shoes? Beth Shak is an American lady who owns this huge footwear collection. She confessed that she had never got close to wearing them all frequently. “Like any woman, I end up going for my ten favorite pairs,” she says.\textsuperscript{96}

In certain situations, it is equally safe to state that the shopper, similar to a drug addict, has little to no control over buying. The goods usually control the individual, be it drugs, alcohol, cigarettes,
fashion goods, or even chocolate. Much negative or damaging consumer behavior can be described by three general features:

1. The individual may not engage in the behavior by choice.
2. The individual experiences short-term gratification.
3. The individual may experience feelings of guilt and depression after being involved in compulsive buying.

**Cosmetic Surgery Addiction**

Can you be addicted to getting facelifts or nose jobs? *Cosmetic surgery* involves the “maintenance, restoration or enhancement of one’s physical appearance through surgical and medical techniques.” These surgeries include liposuction, breast augmentation (the single most popular procedure), breast reduction, nose or eyelid reshaping, face lifting, and other procedures. Some of the most common non-surgical aesthetic procedures include Botox, hyaluronic acid, and laser hair removal. Perhaps as a reflection of the power of some celebrities like Kim Kardashian to “break the Internet” with images of prominent derrieres, the number of patients who had elective buttocks surgery almost doubled in about five years.

Studies attribute people’s interest in cosmetic surgery by both men and women to high media exposure/consumption and a need for the enhancement of self-esteem, especially as they compare their appearance to others including glamorous celebrities and social media influencers. Indeed, according to the American Academy of Facial Plastic and Reconstructive Surgery, 40% of surgeons believe that the motivation to enhance appearance is driven by the desire to look better in selfies that patients post on social media sites! Not only women seem to be fascinated by cosmetic surgeries, however nowadays, but a greater number of men are also embracing these procedures for the sake of lifting their confidence and enhancing their physical appearance.

**Eating Disorders**

Have you ever heard of any person who passed away from complications arising from eating disorders? The fashion industry creates severe competition, and supermodels are under constant pressure to maintain a desirable body shape that will keep them employed—especially by the high-end designers who (with some exceptions) continue to promote rather unrealistic expectations about what glamorous women should look like. Fashion designers know that their apparel looks much better in smaller sizes, so thinness for models is typically a major requirement. This has led to numerous top high fashion models developing eating disorders such as anorexia or bulimia.

This disorder obsession with thinness is not only affecting models but is even becoming more prevalent among everyday women consumers, especially younger ones. A recent study indicated a relationship between social media use and body image issues among adolescents. Research findings revealed that adolescents reporting increased usage of social media are at risk of developing amplified body image concerns, which may result in poor psychological adjustment.
A number of fashion firms have decided to join the battle and help those who are struggling with anorexia in response to the criticisms on how the industry encourages people to starve themselves in the pursuit of beauty are portrayed and treated. The magazine Vogue has stopped featuring fashion models who appear to have an eating disorder in 2012. Also, since 2017 the two renowned luxury groups Kering and LVMH have stopped recruiting models who wear smaller than a US size 2 (which means French size 34, UK size 6). This has followed the new rules issued by the French government that forbid the use of ultra-thin models in 2015.

**Consumer Theft**

**Shrinkage** refers to the industry inventory and cash losses that may be attributed to issues such as workers’ theft, shoplifting, administrative error, vendor fraud, damage, and cashier error. This is a huge issue for retailers that is passed on to shoppers through higher prices. Based on a 2018 survey by the National Retail Federation (NRF), shoplifting costs US retailers $46.8 billion.

Shoplifting still is one of the most serious financial issues that retailers face. 60% of recognized shoplifters were identified going into at least two distinct stores of the same retail chain or brand in the US.

Most shoplifting is not done by professional individuals or by those who really need the stolen goods. In fact, it’s common among adolescents. Previous research has shown that adolescent shoplifting is affected by social factors such as an individual’s peers who shoplift as well. Adolescents also tend to steal if they don’t perceive this practice to be morally wrong. Sneakers, logo and brand-name clothing, denims, and undergarments are among the most commonly stolen items in the UK. Cosmetics may be added to that list, with the trend toward open-selling merchandise formats (a hands-on tactic that permits buyers to play and experience the items) led by Sephora, a French cosmetics company with stores worldwide.

Retailers have taken measures to help fight shoplifting, but some stores do not want to use heavy sensor tags that make it hard for customers to try on clothing and give the impression that the store does not trust the consumer. Good customer service is the best defense against shoplifting; a sales associate who acknowledges customers and is aware of their moves deters such illegal behavior. Also, another effective way to reduce shoplifting is to implement good retail store design. For instance, the store can be configured to reduce the number of hidden corners that might allow potential shoplifters to load up their backpacks or purses.

Other retailers have relied on technology in order to prevent shoplifting. For example, **Radio Frequency Identification (RFID) tags** use electromagnetic fields within radio frequencies to distinctively detect items, such as apparel, accessories or shoes. Most of the retailers today such as Macy’s, Lululemon, and Kohl’s use this technology in order to reduce losses from stealing. Many retailers also install closed-circuit television (CCTV) cameras in order to stop employee and consumer theft. **Facial recognition technology** can be adopted to recognize known shoplifters at the time they come to the shop in order to protect shops and their consumers against shoplifting crimes. The device scans the face of each individual who arrives to the store, and if a former thief walks in, the technology can detect them based on its database and warn store security to observe the customer and prevent further theft.
Anti-consumption

Some forms of damaging consumer behavior take the form of anti-consumption, which is the practice of “intentionally and meaningfully excluding or cutting goods from one’s consumption routine or reusing once-acquired goods with the goal of avoiding consumption.” In some cases, acts of anti-consumption are a form of cultural resistance, whereby consumers who are alienated from mainstream society (such as juvenile delinquents) single out objects that represent the values of the larger group and modify them as an act of rebellion or self-expression. In the hippie culture of the 1960s and 1970s, for example, many antiwar protestors began wearing cast-off apparel, often replacing insignias of rank with peace signs and other symbols of “revolution.”

FOMO

The acronym FOMO has become immensely popular today. FOMO, or the fear of missing out, is defined as feeling anxious or stressed over the possibility of missing out on an event or opportunity. In other words, FOMO is characterized by a psychological state in which people fear missing out on social events, experiences, and interactions. It’s a great—and very current—example of the (potentially) negative dimensions of consumer behavior.

Critics argue that FOMO is caused by excessive smartphone and social media usage, which is very similar to addiction. A recent study showed that almost 48% of Millennials have spent money they didn’t have or have even gone into debt so that they can keep up with and imitate what their friends are doing and posting about.

This concept is also becoming more relevant in the fashion industry. Consumers who suffer from Fashion FOMO are easily spotted and identified due to displaying certain “symptoms”, which include checking the “new in” website sections of their favorite brands every single day, signing up to multiple newsletters in order to receive daily updates, queuing in front of fashion stores for hours just to get their hands on the latest and trendiest items and following large numbers of fashion influencers on social media, and checking their pages daily.

Chapter Summary

Now that you have read the chapter, you should understand the following:

1. What are consumer and business ethics?

Business ethics essentially are rules of conduct that help in taking action in the marketplace. Universal standards or values include honesty, trustworthiness, fairness, respect, justice, integrity, concerns for others, accountability, loyalty, and responsible citizenship. Cultural differences exist in how ethics are defined.
Ethical decisions when it comes to the fashion industry include the use of fur and exotic skins, animal testing, offensive advertising and consumer privacy data.

2. What is corporate social responsibility in fashion?

Socially responsible companies go beyond what is legal to do what benefits society. Many fashion companies engage in cause marketing in which marketing efforts are linked to charitable causes. The fashion industry should ensure that ethical standards are being followed and the rights of their workers are being protected throughout their supply chain. Many consumers are today aware of and concerned about exploitation issues related to labor in global apparel production. Fashion sustainability is becoming more and more important, and consumers are actually forcing fashion brands to become more environmentally responsible.

3. What is the dark side of consumer behavior?

While textbooks often paint a picture of the consumer as a rational decision maker, calmly doing their best to obtain products and services that will maximize the health and well-being of themselves, their families, and society; the reality is that consumer desires, choices, and actions often result in negative consequences to the individual and/or the society. The dark side of consumer behavior includes the following: addictive consumption, which refers to a physiological and/or psychological dependency on goods or services; compulsive consumption, which refers to regular and excessive buying, as a result of tension, anxiety, low self-esteem, depression, feelings of guilt or even boredom; fear of missing out, which refers to psychological state in which people fear missing out on social events, experiences, and interactions; unnecessary cosmetic surgeries, and which refers to the preservation, restoration or improvement of one’s physical appearance through surgical and medical methods; and eating disorders.

DISCUSSION QUESTIONS

1. What are business ethics? To what extent do you believe that a fashion brand’s marketing practices may be unethical?

2. What are the main corporate social responsibilities for a fashion brand?

3. Do you believe that human rights should be interpreted culturally? Explain why or why not.

4. Facial recognition technology has been used to facilitate the recognition of shoplifters. How ethical is it to adopt this technology?

5. Do you feel that government interferes too much with businesses producing and selling apparel or not enough for the sake of the consumer?
Sustainable fashion should maximize positive and minimize negative environmental and social impacts along the supply chain from production, manufacture, transportation, and retail to end-of-life management, conserving an ecological balance by avoiding depletion of natural resources and supporting social justice across the supply chain. However, perfect sustainability is impossible and there are trade-offs between environmental and social issues. This was seen during the Covid-19 pandemic in 2020, when the halting of global supply chains led to a reduction in environmental pollution but also had a detrimental impact on many of the world’s most vulnerable workers who lost wages or jobs as global retailers attempted to cancel orders placed with developing country suppliers. Further challenges to sustainability in fashion are presented by the increasing speed of change in trends and complexity of global supply chains, and the increasing levels of production and consumption across the world. In the marketplace, fashion brands and retailers address various aspects of sustainability through material selection or supply chain configuration. However, there is often no clear-cut answer as to which the most sustainable option is, as shown in the following examples.

(Continued)
Sustainable material selection

Chinese luxury brand Icicle’s ‘Made in Earth’ philosophy underpins its approach to sustainability by seeking harmony with nature, so the brand uses organic cotton and other natural fibers in its collections. In contrast, outdoor brand Patagonia uses mostly recycled polyester in its T-shirt range, in recognition of recycled polyester’s lower water and carbon footprint, compared to cotton. Recycled polyester saves natural resources and makes valuable use of plastic waste, but garments release millions of plastic microfibers when laundered. Cotton is a biodegradable fiber, but needs vast amounts of land, water, and pesticides to grow. ‘Organic’ is a powerful marketing term but organic cotton needs more water and land to yield the same amount as conventionally grown cotton. There are pros and cons to all fiber types and fiber choice is only one part of a complex picture. Fibers must be spun, knitted or woven, dyed, finished, sewn, and transported – all of which have different environmental and social impacts in each part of the process.

Sustainable supply chain configuration

Community Clothing sells an affordable and ethical range of durable modern basics through a direct-to-consumer supply chain, which is configured to source material inputs and manufacture products locally in the UK. This helps to reduce its carbon footprint as well as preserve skills and contribute to economic prosperity in deprived areas, as all staff are paid at least the national living wage. Social justice and sustainability may also be achieved by globally dispersed supply chain configurations. Australian premium denim brand Outland Denim is a certified B Corp that puts purpose, not profit, at the center of its operations and provides training, support, and employment opportunities to victims of sex trafficking in Cambodia. By providing a sustainable career path for vulnerable women to craft premium denim from the world’s finest raw materials, the brand enables true social change for workers, their families and communities. Both local and global supply chain configurations can achieve positive social impacts, some of which may outweigh the environmental impacts of global sourcing.

Promoting sustainability in marketing communications

Fashion marketing communications aim to drive consumer purchase intention and increase sales, which contradict sustainability goals to reduce overproduction and consumption. Sometimes brands may send mixed messages in their marketing activities, which questions their commitment to sustainability. UK online fast-fashion retailer Pretty Little Thing launched a collection made from recycled polyester and waste materials to help create a more sustainable future, but also ran a Black Friday sales promotion offering a 99% discount. Some dresses were offered for as little as 15 pence, which promotes overconsumption and waste. There are very few brands (apart from Patagonia and Vivienne Westwood) that encourage consumers to buy less, buy used or repair what they already have as revenue streams in most fashion businesses are based on producing and selling more items.
DISCUSSION QUESTIONS

1. Is it possible for fashion brands and retailers to balance a sustainability agenda alongside the pressure to release new collections and grow their business? Explain your reasoning and provide examples to support your opinions.

2. Is it possible to balance social and environmental sustainability goals? Discuss examples of fashion brands and retailers and make suggestions for improvement.

3. Discuss the social and environmental sustainability performance of fast-fashion, mass market and luxury fashion brands—which group do you think is most/least sustainable and why?

4. Discuss examples of contradictions between sustainability goals and marketing strategies of fashion brands and retailers in your region.

NOTES


