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THE FASHION OF GOING SUSTAINABLE: OPPORTUNITY OR TREND?
AN ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY IN THE FASHION INDUSTRY

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INTRODUCTION

Nowadays, the fashion world is facing a great contradiction. On one side, consumers have changed the way they treat fashion goods: fast fashion has revolutionized the industry, and consumers use and abuse of the accessibility with which we can change our clothing day after day, given that the prices are certainly lower and the collections on the shelves change every two weeks.

Water, energy, an overall scarcity of resources are the other side of the coin, together with the exploitation of workers and the denial of their human rights.

These two aspects coexist and travel in parallel, and the more grows the consumption of fashion goods, the more social and environmental issues grow as well.

It seems logical to think that the fashion industry is striving to reduce its environmental and social impact, but studies show that “7 of 10 businesses are not focused on managing the environment and natural resources” (Deloitte Touche Tohmatsu Limited 2013).

However, there are companies that stand out for their commitment to sustainability, and that we hope will be an example for all other brands.

The project of this thesis was born during my internship at White Smoke Communications agency in London, a PR agency working for the fashion industry, and was made possible thanks to the contribution of the Centre for Sustainable Fashion at London College of Fashion, which is one of the major centres in the world conducting researches on textile innovations.

In my research I will analyze the extent to which fashion companies are focusing on Corporate Social Responsibility (CSR), which are the advantages for enterprises that choose to be responsible and the point of view of consumers on fashion sustainability.

In the first chapter I introduce the concept of CSR and expose the different ways a company can engage in CSR activities and the different degree of commitment required for each of them; secondly, I examine both the corporate benefits connected to CSR (which include enhanced
brand reputation, minor costs and increased productivity) and the financial implications of introducing an ethical supply chain. I will then present some business cases of high-end fashion companies engaging in different ways in CSR.

In the second chapter, I analyze the entire fashion’s supply chain and I go through each step of a garment’s life cycle (design, selection of materials and fibers, manufacturing, distribution, use and maintenance and end of life management) to examine the environmental and social issues involved in each step: these include water and energy consumption, the use of hazardous pesticides, carbon emissions, child labour, exploitation of workers, animals’ abuse.

Then I expose potential solutions to these issues and I explain which ways a company can go in order to create a sustainable product, from cultivation to the distribution phases. Adopting a sustainable production cycle is, for what concerns the fashion sector, may be the best thing a company can do to be socially responsible.

Thirdly, I explain how a fashion company can engage in Cause Related Marketing (CRM) campaigns. After having introduced the concept of CRM, I discuss the benefits (for the company and stakeholders) and the costs involved with engaging in this kind of activity, and how a company should outline its CRM strategy. Finally I will discuss some of the fashion CRM best practices.

The fourth and final chapter examines the consumers’ point of view; I have conducted a research on consumer behaviour for what concerns the fashion sector, and I try to answer these questions: what do consumers know about fashion sustainability and the production’s chain of their favourite brands? What is their attitude towards CSR activities and the engagement in Cause Related Marketing of fashion companies? Are they willing to change their purchase behaviour? What are the issues consumers care the most and which ones would they like to be tackled by fashion companies’ initiatives? I will answer to these questions and compare the results of the survey to previous studies’ findings.
CONCLUSIONS

Throughout my paper I have analyzed in depth the theme of corporate social responsibility linked to the fashion sector; I have analyzed the current situation and proposed solutions to the barriers to the adoption of responsible behaviours, as well as exposed the benefits for companies making sustainable choices.

Fashion companies have reacted slowly to the recent growth of critical consumption and the increase of consumers’ concerns about environmental and social issues, and the fashion sector is well behind other sectors for what concerns Corporate Social Responsibility. Nonetheless, companies have started to understand how important it is to respond to consumers’ expectations, and many have integrated environmental and social issues in their business operations on a voluntary basis, even though their degree of CSR engagement enormously varies one company to the other: Patagonia is an example of a responsible company which has chosen to fully integrate CSR and environmental/social ethos into its whole cycle of production and business operations, but it’s an exception among fashion enterprises.

The importance of CSR engagement’s planning phase is still often underestimated: for corporate social responsibility to be a win-win strategy, it must be well planned, with corporate actions having to be well aligned with brand’s initiatives and promises. Sincerity towards consumers is essential. The same principles applies to Cause Related Marketing campaigns, which must be strategically planned and be grounded on sincerity and coherency towards consumers. A ‘greenwashing’ kind of strategy will not succeed, and will actually cause the customers’ distrust and potential losses for the company engaging in it. Companies need to understand that CSR is not a short-term strategy, and will not be able to see short-term financial results.
The biggest mistake companies make when engaging in social responsibility and adopting a sustainable supply chain is expecting the immediate result of a sales boost and considering CSR as the panacea for all ills: enterprises should not choose to adopt a responsible behaviour with the expectation of increased financial performance, given that this correlation between social responsibility and financial performance is not proved by all researches. Instead, companies should act with other goals in mind, above all the reduction of inefficiencies: we have seen, in fact, how adopting a sustainable business chain can lead a brand to save on water and energy consumption, reduce waste and operating costs, shorten production times, reduce employees turnover, improve the quality of the products, increase the productivity of workers, lower the risk of incurring in negative externalities and enhance the brand image and reputation. Therefore, a long list of benefits awaits those companies investing in CSR.

In order to be environmentally sustainable, fashion companies have to reduce pollution, the volume of waste going to landfills, energy and water consumption and carbon emissions. However, there are many approaches and precautions companies can adopt throughout the whole production cycle in order to be environmentally friendly, such as:

- choosing to use organic, renewable and recycled fibres;
- the use of low chemical bleaching and dyeing or using natural dyes
- educating customers to wash garments at lower temperatures and inviting them to line-drying clothes instead of tumble-drying them;
- reducing distances and transportation of products, adopting new retail approaches and reducing the packaging;
- adopting recycling of materials and take-back schemes.

Also, the fashion sector is famous for not respecting human rights of workers and exploiting their work: issues such as child labour, unsustainable and inadequate wages are slowly improving but still exist, and responsible fashion companies are checking compliance of suppliers and subcontractors by organizing audits of factories.
The nature of the fashion industry, which is linked to non-first necessity goods, has slowed things down, and barriers to sustainability still exist: these are higher cost of sustainable materials and higher cost of adequately paid labour, as well as the wrong perceptions on sustainable fashion garments.

Communicating in the right manner Corporate Social Responsibility is very important, and lacking to do so can determine the failure of the whole CSR strategy. We have seen that the majority of Italian fashion consumers are not informed about environmental and social issues connected to the fashion industry, and in general are skeptical about companies being socially responsible. This implies that companies should invest more planning and more resources in the communication phase of CSR strategies and CRM campaigns, in order to educate consumers about the matter.

This will work in their favour as well, as consumers seem interested in participating to sustainability initiatives if adequately informed.

There is still much to do, and the path towards fashion sustainability will be long and winding, but we are talking about our own world, and we must understand that even our purchase behaviour is affecting it. Everyone must do their part to protect the environment and the workers: companies need to modify their supply chain and make it sustainable, and we, as customers, need to modify our fashion buying behaviour.
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