TRANSPARENCY – ONLY A TREND OR A DRIVER FOR CHANGE?

THE OPPORTUNITIES OF CREATING A COMPETITIVE ADVANTAGE THROUGH TRANSPARENT COMMUNICATION ABOUT SUSTAINABLE BUSINESS PRACTICES

Thesis for One-Year Master, 15 ECTS
Textile Management

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2017.18.04
Title: Transparency - only a trend or a driver for change?
The opportunities of creating a competitive advantage through transparent communication about sustainable business practices.

Publication Year: 2017

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Abstract

Purpose: The purpose of this thesis is to examine how companies can favorably communicate their sustainable practices in a transparent way in order to be perceived as trustworthy so that a competitive advantage can perhaps be achieved. Further, it will be investigated if transparency within the supply chain can be used as a fundament for being perceived as credible by consumers.

Method: The method will be qualitative with an inductive approach. The research will consist of forming a case study based on the company Patagonia, where primary data will consist of interviews with multiple experts on the topic. Besides, secondary data will consist of books, journal articles, conference material and information from the website of Patagonia.

Conclusion: In this research it was found that transparent communication about sustainable business practices can increase the trust in brands and can thus deliver a competitive advantage. Hence, companies need to solely focus on the core customer, integrate the customer in the communication process and deliver easy and clear information. This information should educate the customer and thus be perceived as valuable and trustworthy.

Keywords: Sustainability, Transparency, Communication Strategy, Sustainability Marketing, Patagonia, Competitive Advantage
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## II. List of abbreviations

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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>I.</td>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>II.</td>
<td>FLA</td>
<td>Fair Labor Association</td>
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<tr>
<td>III.</td>
<td>GRI</td>
<td>Global Reporting Initiative</td>
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<td>IV.</td>
<td>ILO</td>
<td>International Labour Organization</td>
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<td>V.</td>
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<td>Life Cycle Assessment</td>
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<td>VI.</td>
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<td>Non Governmental Organization</td>
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1 Introduction

Within this part of the thesis, the reader will be introduced to the research topic and further its relevance will be highlighted. Besides, the authors will state the goal of this research and how the research questions asked will lead to reaching the aim of this thesis.

1.1 Relevance of the topic

Recently, it became a topic of interest how fashion companies can become truly sustainable and as next step, after implementing sustainability, how their sustainability activities can be credibly communicated towards the customer. During the conference ‘Transparency: the must have driver for change’ (Högskolan i Borås, 2017), many global players from the fashion industry such as Fashion Revolution, H&M and Mistra Future Fashion showed their engagement in transparency and sustainability. Moreover, they highlighted the challenges that represent hurdles for companies to evolve suitable communication strategies. There seems to be a knowledge gap between how brands believe they should communicate transparently and what consumers are willing to hold as “true”. Consequently, when brands are not able to find a suitable communication strategy it gives rise for misunderstandings and thus green washing steps in. Being accused of green washing will not help a company's journey towards transparency, nor will it help consumers in their quest for honest and environmental friendly fashion. Lately, a Swedish fast fashion brand published a commercial video (Gina Tricot, 2017) showing pictures on how organic cotton is being picked in India and stated its usage of sustainable materials. The brand tried to educate the customer in a way that has been perceived as green washing by the authors of this thesis as well as by two of the interviewed experts. This highlights the risk of communicating in a wrong way and achieving the opposite effect than intended. When not being transparent, consumers do not know what they are buying and tend to be more skeptic towards the company's activities (Chapman, 1995). Here, the contradictory concept of sustainability and fast fashion plays a crucial role. It seems to be difficult for fashion companies to be perceived as sustainable in an authentic way when the amount of sold items still increases, the production life cycles become shorter, and the customers tend to make “high impulse purchases” (Sheridan, Moore & Nobbs, 2006, p. 307). Therefore, the outdoor brand Patagonia is used as a case in order to investigate their sustainable business practices and also examine the outstanding way of communicating in order to gain a competitive advantage (Ottman, 1998). To clarify, according to Sigalas (2015) competitive advantage “explains what accounts for differences in performance among firms.” However, fashion brands, such as the Swedish brand H&M and the German sports giant Adidas, have a different core target group than Patagonia, a brand that is strongly concerned about the environment since starting the business in 1973. By investigating Patagonia, the request for transparency and sustainability becomes obvious and the researchers aim to

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1 The overstatement of environmental attributes (Avlonas & Nassos, 2014)
identify a way for fashion brands such as H&M and Adidas to communicate sustainability more trustworthily to change their customers’ buying behavior to a more sustainable one.

1.2 Problem statement and research gap

Nowadays, fashion and textile companies seem to have noticed the importance of having an accurate marketing and communication on sustainable and transparent supply chains. Within the textile industry, more brands give the impression of working towards environmental responsible manufacturing. Nevertheless, the complex and often unsustainable supply chains within textile production represents a hurdle for stakeholders to trust and value a company's sustainable marketing activities (McNeill & Moore, 2015). Thus, associates such as consumers and businesses demand more transparent supply chains (Egels-Zandén & Hansson, 2016). Moreover, Egels-Zandén and Hansson (2016) state that by communicating transparency in an effective way sales can increase and thus companies could achieve a competitive advantage. This implies the importance of transparency but does not explain how to communicate transparency and sustainability in order to use it as a competitive advantage. Furthermore, it is challenging to communicate environmental actions in such a way that brands are after all perceived as credible and authentic, yet not accused of green washing. Customers often seem to struggle with complicated textile terminology and the long, unsustainable supply chain. Besides, they see fashion as something exciting and do not want to be confronted with ethical concerns regarding their purchase intentions (PBS NewsHour, 2015). This represents the next challenge of educating and informing the customer; in such a way that they feel empowered to judge about a company's product or service.

Consequently, within this research the aim is to clarify the habits of a fashion and textile company, which is believed to be transparent and environmentally friendly just as it is perceived as authentic by its customers. By shaping up the business practices of Patagonia, the researchers aim to bridge the gap in knowledge on how to credibly communicate towards consumers within the fashion sector.

1.3 Goal of the thesis

After attending the conference “Transparency: the must-have driver for change” (Högskolan i Borås, 2017), the urge for researching on how companies best communicate their sustainable practices in a transparent way has become clear to the researchers. In addition, within a lecture held by the sustainability manager of Lindex in 2017, it was discussed what information the customer requires and how much they already know about the harmfulness of the fashion industry. At that time no clear answer could have been formulated. Further, the credibility and authenticity of communicating in a transparent way shows the need for

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2“environmentally responsible manufacturing involves the development of products while minimizing the [...] environmental impact [...] and maximizing resource efficiency“ also on a supply chain level (Ellram, Tate & Carter, 2008, p. 1622)
research. Consequently, in order to close this gap, the following research questions and sub questions have been formulated and are made a subject of discussion in this thesis.

**Research Question:** “Do they and if how, can textile and fashion companies achieve a competitive advantage by communicating their sustainable supply chain activities in a transparent way?”

**Sub Question 1:** “How can companies increase trustworthiness and credibility by being transparent about environmental actions throughout the supply chain?”

**Sub Question 2:** “How can companies communicate sustainable supply chain practices transparently in order to achieve a competitive advantage, by analyzing the company Patagonia?”

Hereby, the research questions aim to investigate whether transparent communication of sustainable business practices can bring a competitive or first mover advantage for companies, in comparison to brands who do not communicate their activities towards customers. And if so, what is the best way to communicate all actions in order to be not accused of green washing. In line with that, the first sub question puts the focus on how transparency within the supply chain can be used as a fundament for being perceived as credible by the consumer. Finally, sub question two analyses the opportunity for companies to gain a competitive advantage by communicating sustainable supply chain practices in a transparent way. In order to examine this question, Patagonia has been used as an example for successful communication of sustainability by using transparency as key driver. Thus, the researchers aim to transfer the knowledge gained through primary data and the Patagonia’s case study to advise the fashion sector on how to communicate best.
2 Methodology

In this chapter the reader will be able to find information on how the research has been conducted. To start, the research strategy will be uncovered just as the design of the research will be displayed. Furthermore, the data collection methods are introduced by explaining how samples for semi-structured interviews and the case study have been chosen. Afterwards, the researchers demonstrate the method of data analysis; hereafter the review of the validity and reliability of these research methods will be introduced.

2.1 Research strategy and design

To be able to answer the research question and sub questions posed in the previous chapter, a qualitative research approach together with inductive reasoning is used to conduct the study. Inductive reasoning involves the process of drawing conclusion from objects that have been examined. Eventually, theories can be created by explaining the relationship between facts (Anon., 2011). The reason to choose an inductive approach over e.g. a deductive or abductive lies in the fact that a lot of opaqueness is existing on how to communicate sustainability within fashion and textiles. Therefore, it is considered to aid the research field in a better way by building a theory instead of testing one. Besides, there is no current theory that addresses these research questions in a convincing and sufficient way (Eisenhardt & Graebner, 2007).

![Outline of the study](image)

Figure 1: Outline of the study

This qualitative research with inductive approach is illustrated in figure one, by showing the steps taken from data to analyzed theory. This process will occur by means of triangulation, which will be explained later on in the Method of Data Analysis. Current
research is not addressing the purpose the researchers aim to serve; therefore, data will be gathered from different perspectives in order to be able to form a theory at the end of the research.

The intention is to examine what the driver of change is for fashion companies to decide on becoming transparent about their supply chain activities. The topic will be enlightened through studying the case of Patagonia. As a company striving to be the most transparent, Patagonia can be seen as an extreme example within the textile industry (Hepburn, 2013). Through questioning the business model and communication of Patagonia, it is likely possible to capture the phenomenon of being profitable in a sustainable manner. By analyzing this theoretically chosen sample in combination with conducting semi-structured interviews, the authors aim to explore the field of transparency and the competitive advantage it could bring. Hereby, the purpose is to explain the paradox of transparency. Because, it could be perceived as green washing, however it also has shown to bring competitive advantages (Högskolan i Borås, 2017). Secondary data research is included to find out how transparency can change the societies perception of brands. If customers distinguish brands as more credible and trustworthy when they communicate sustainable actions, there can be a need for clear communication towards them.

2.2 Data collection method

To clarify the methods used in this research to gather information, this chapter will first of all introduce the manner in which samples are chosen. This section is discussing how the samples for the semi-structured interviews are chosen, as well as it will become clear why Patagonia is chosen to conduct a case study upon. Furthermore, the reliability and validity of these methods are being exposed.

2.2.1 Sampling

As described, the research will consist of a case study based on the practices of Patagonia. These practices will be highlighted from different perspectives through information from interviews with experts in the field of sustainable textiles.

The case of Patagonia has been selected through their view on sustainability and transparency, and the fact that they are willing to protect today’s environment (Hepburn, 2013). Patagonia is selling greenness, not only through its production practices but also by offering customers to “buy into” a way towards sustainability. However, the authors can take note of the link between environmental and economic growth (Voight, 2013), which will be addressed later on in the study. By means of studying the business practices of Patagonia, the researchers aim to gain better understanding of communicating sustainability in a transparent way. Moreover, to find out why Patagonia’s communication is perceived in a positive manner. The case of Patagonia has been chosen based on theoretical sampling. Eisenhardt and Graebner (2007) state that by using a theoretical sampling method it allows researchers to explore a phenomenon within an extreme example. Here, Patagonia represents the best practice example how to fully embed sustainability into the core of the business model.
(Doppelt, 2009, p. 142; CSR Central, 2015), and therefore be able to credible communicate business practices towards the customer using customer engagement (Ottman, 1998; Boynton, 2013; CSR Central, 2015). By using a single case, one could argue that the generalizability is low. But although multiple cases could bring a higher accuracy and generalizability within the research conducted, there are no such cases available. Moreover, due to the lack of time given to carry out this research the authors of this thesis decided to examine one case in depth, instead of investigating several cases. Thus, rich and detailed information have been gained.

The sample selection to conduct interviews is made by purposive sampling, which means that participants are strategically chosen with research goals in mind (Bryman & Bell, 2015). Experts have been chosen since they have different viewpoints on sustainability and transparency within the supply chain. Among the list of interviewees, there is one person, which works as a sustainability manager for a Swedish fashion brand. This decision can be justified by the fact that the interviewee has a point of view from a business perspective. Besides, the authors of this thesis aim to find reasons why fashion companies struggle to communicate and thus the interview with the employee of the Swedish fashion brand helps to gain insight in their communication strategy in order to compare it with Patagonia’s strategy. This enables the authors to detect reasons, on the one hand, for miscommunication, and on the other hand, why it seems to challenge fashion companies to suitable communicate sustainable actions. Furthermore, the two other interviewees, Jonas Larsson and Simonetta Carbonaro, are academic scholars who lecture about transparency within supply chains and marketing at, among others, the Swedish School of Textiles. Besides, Jonas Larsson works for the Sustainable Apparel Coalition, which aims to reduce the harm within the textile and fashion production in regard to the products and to people working in the fashion industry (Sustainable Apparel Coalition, n.d., a). Simonetta Carbonaro was one of the moderators and speakers at the conference ‘Transparency: the must have driver for change’ (Högskolan i Borås, 2017) where her expertise and passion for transparency and sustainability became obvious for the audience. Hence, their knowledge about the presented research topic represents valuable and actual information that can be associated with the conducted case study.

### 2.2.2 Semi-structured interviews

In order to get a deeper understanding and an insight in companies’ activities and beliefs regarding sustainability and transparency throughout their supply chain, several experts have been interviewed to gather relevant, deep information and thoughts about this topic. Semi-structured interviews in a qualitative research are known for delivering rich data because of the more natural and flexible flow of the interview compared to a survey, for instance (Bryman & Bell, 2015). Being flexible means that the interviewer can follow the direction the interviewee is going in, to use the expertise of the interviewee (Bryman & Bell, 2015). Hereby, it is guaranteed that the interviewee’s personal point of view is expressed. Bryman and Bell (2015) refer to semi-structured interviews as the setting where the interviewer has somewhat general questions prepared which are shaped up in an interview guide. The interviewer can decide the sequence of questions throughout the interview to guarantee a good
flow and dive deeper into topics of interest that seem to deliver relevant information for the purpose of this research.

In this research the interviews are preferably carried out in person. However, due to the importance of having expert information on the topic, it is possible to consider adjusting the situation to the experts’ abilities and circumstances. Therefore, it is decided that interviews can also be carried out by phone when facing physical distance of interviewees. Hence, two interviews, that have been carried out in person lasted around 25 minutes and the third interview, carried out via phone, had a duration of 45 minutes. Besides, all interviews have been conducted in the presence of both researchers engaged in this thesis. In order to be able correctly analyze all interviews have been recorded, transcribed, and attached to this paper. Throughout the process of analyzing the information given by the interviewee, it has to be kept in mind that respondents might give colored answers, due to their personal beliefs and goals towards creating a more transparent and sustainable practice in fashion and textiles. On the other hand, by engaging in the dialogue with experts different viewpoints are enlightened. Through viewing the matter from different angles, it limits bias that might otherwise occur (Eisenhardt & Graebner, 2007).

By gathering data from open questions, answers need to be “coded”. Codes serve for the purpose of labeling, separating, and organizing, as described by Charmaz (1983). The processing method used within this research starts with open coding, whereafter the process of axial coding follows. This is done by reading through the transcribed interviews multiple times analyzing the content and identifying the main themes or codes throughout the interview (Bryman & Bell, 2015). Subsequently, these codes are administered in a coding frame. Throughout this process it has to be kept in mind that measurement errors can occur, which could decrease internal validity. The researcher Strauss and Corbin (1990) state in order to be able to compare answers, clear reference points within the open questions are essential for upfollowing steps. Next, axial coding is used in order to build connections between the different categories that have been detected through open coding. By linking and combining the codes to contexts, causality, and patterns between the different interviews, can be detected (Strauss & Corbin, 1990). Consequently, all interviews have been analyzed separately by using open and axial coding followed by linking the findings from all interviews. Moreover, the findings from the interviews are first presented neutrally and afterwards linked with the findings from the theory to form an analysis and conclusion.

2.2.3 Case Study

A case study research is often used to conduct research on new topics where no considerable previous research has been done (Eisenhardt, 1989). In the gathered literature it can be noticed, that a broad research on multiple topics has been done that can be linked to the posed research question. Still, these topics have not yet been combined in a way that could close the knowledge gap that comes with communicating sustainable supply chain practices towards consumer within textile and fashion (Markkula & Moisander, 2012). By conducting a case study, the focus lies on describing, understanding, and predicting the specific case (Woodside, 2010). Through having a one case sample, in this paper Patagonia, it will be challenging to generalize findings. This argues that case studies are most appropriate for exploratory
research (Scapens, 2011). The current case study is analyzed by relying on the theoretical proposition as mentioned by Yin (2009). Analyzing the evidence is often perceived as the most difficult part of conducting a case study, as Yin (2009) mentions. Therefore, a researcher can benefit by keeping in mind the criteria of why a case is chosen, before focusing on specific data. In this situation, it anticipates focusing on the data that will lead to answers matching the research questions. Eventually, as mentioned before, the answers emerging from the case study are combined with those of the semi-structured interviews and with the theory. Combined, they form the findings of a theory as an inductive approach suggests (Eisenhardt & Graebner, 2007).

2.3 Method of Data Analysis

Eventually, the authors need to present the evidence gathered through research. To do this in an outstanding way, empirical data needs to be intertwined with theory throughout the structure of the report (Eisenhardt & Graebner, 2007). To reach a level of deep understanding, the method of triangulation is applied to the converged data. According to Patton (1999), triangulation incorporates multiple data sources within a qualitative research, to develop a broad understanding of phenomena. This method of data analysis is confirmed by Woodside (2010), who states that triangulation is formed when multiple sources with a focus on the same process and events are being used to confirm and describe a specific topic.

Within the method of triangulation, there are three key elements as can be seen in figure two. The first step to undertake triangulation is observing the specific topic and case as the researchers study it. Through gathering literature on the research area and the case of Patagonia, secondary data is formed. Secondly, primary data will be gathered by asking participants for explanations and opinions on the topic of the specific study (Woodside, 2010). Within the current research, this is accomplished through conducting semi-structured interviews with experts in the field of sustainable fashion and textiles. Finally, collected primary and secondary sources within the environment of the study are analyzed in order to intertwine both forms of data. The reason to use triangulation within a qualitative research lies in the fact that validity of findings can be increased, by using multiple methods (Carter, et al., 2014). Altogether, it brings the opportunity to present the state of art in regards to models on how to communicate sustainability in an honest and credible way.
2.4 Validity and Reliability

In order to carry out a respectable qualitative research, two essential criteria need to be considered, which are validity and reliability. Hereby, reliability describes the possibility for other researchers to repeat the study. Therefore, the authors need to describe in detail how they conducted the study (Bryman & Bell, 2015). Consequently, this has been done in former chapters, where the authors explicitly explain the research design, the way of analyzing the primary and secondary data, and by reasoning the samples that have been selected. The second and most important criterion for a high quality research is validity. Validity describes the “integrity of conclusions that are generated from a piece of research” (Bryman & Bell, 2015, p. 29). Further, validity comprises three major facets as construct validity, internal validity, and external validity.

Hereby, construct validity focuses on the question, whether the research deals with the concept that delivers the required contribution in order to answer the research question (Bryman & Bell, 2015). In this thesis, this concept is represented by the case study of Patagonia and represents the instrument to investigate successful communication of sustainability and transparency in the textile industry. To strengthen the findings from the case study, experts within the fields of sustainability and marketing have been interviewed. This enables the authors of this thesis to obtain a broad picture and insights from experts to find out how companies can successfully communicate sustainability nowadays.

Next to construct validity, internal validity has to be guaranteed, which describes the conclusion of the findings and its reasonable relationship and causality (Bryman & Bell, 2015). In this particular case, the authors chose to use the research design of triangulation, which is explained in former chapters, in order to guarantee greater internal validity (Carter, et al., 2014). Hereby, the intertwining of data collected from expert interviews and the case study guarantees the adequate causality and reduces the risk of focusing on one explicit case. Also, by having two investigators working on this research, higher confidence in the findings
can be assured (Eisenhardt & Graebner, 2007). By teaming up, two critical opinions can be joined, which assures that first assumptions are not taken for granted.

The third facet of validity is external validity, which concerns the extent to what the results can be generalized (Bryman & Bell, 2015). By conducting a qualitative research with the aspects of an inductive approach, the researchers have settled on the fact that this research will not produce a theory that can be generalized easily because of focusing on one particular case (Eisenhardt & Graebner, 2007). Consequently, the aim of the researchers is to use the evaluated information collected through triangulation to adjust the findings so that a general advice can be given to other fashion companies rather than generalize it. Thus, the case of the outdoor brand Patagonia represents a tool in order to conclude possible communication strategies for fashion brands that have different core customers.
3 Literature Review

The literature review will cover and explain certain terms used in the research. First of all, the definitions of transparency and sustainability will be made clear and put in relation to supply chain practices. Thereafter, it is possible to combine these two terms integrated in the supply chain in order to identify possibilities of achieving a competitive advantage. Consequently, focus is on the way in which brands are communicating the environmental actions throughout the supply chain with a transparent approach. By analyzing these certain terms, the aim is to structure-wise find confirmation on how brands can improve communication methods in order to be perceived as credible and authentic.

3.1 Sustainability in the supply chain

Sustainability within fashion means that through the development and use of a thing or a process, there is no harm done to the people or the planet, and that thing or process, once put into action, can enhance the wellbeing of the people who interact with it and the environment it is developed and used within.

(Gardetti & Torres, 2013, p. 6)

Sustainable development is an often-used expression within the textile and fashion industry, but few agree on the true meaning of “sustainability”. As mentioned during the conference “Transparency: the must have driver for change” (Högskolan i Borås, 2017), the term sustainability is often being reinvented along the process of developing sustainability. Gardetti and Torres (2013) acknowledge this concept by stating that the meaning of the term is being shaped to one’s own needs. Within the continuous development of sustainable habits, the meaning of “sustainability” changes along with this process. The concept of sustainability leads to change in objectives and priority, and therefore is hardly a definite term (Gardetti & Torres, 2013). One definition of sustainability that is still relevant up to today is written by Brundtland in 1987 and states; “development that meets the needs of the present without compromising the ability of future generations to meet their needs” (World Commission on Environment Development, 1987, p. 27). This definition explains accurately how the environmental problems and needs should be directed, without putting the focus on the term “sustainability”. The definition of Brundtland is one that every human being could live by, since a sustainable society would not be possible without the actions of individuals choosing sustainability (Doppelt, 2009). However, Markkula and Moisander (2012, p. 105) have identified that when it comes to textile consumption, there is a “knowledge-to-action” gap between consumers’ awareness and sustainable consumption.
3.2 Transparency in the supply chain

Our transparency illustrates the seriousness of our standards to our suppliers.
Last, but certainly not least, it deepens our customers’ knowledge of what they buy.

(Chouinard and Stanley, 2013, ch. 6)

The philosophical meaning of transparency is stated as the ability of the light of the mind to pass through a concept, so that every hidden aspect can be observed and true nature is to be seen (Ascher-Barnstone, 2003). In daily life transparency is a word many people are familiar with. It is often described as a positive character, something all should strive for. However, in order to fully understand the complexity of transparency, it should be observed in different settings (Ascher-Barnstone, 2003).

Over time the definition of transparency within companies shifted to the focus on supply chain transparency, which is presented as “the two-way exchange of information and knowledge between customer and supplier” (Lamming et al., 2001, p.4). Transparency used to be controversial since businesses kept developments secret, to make sure competitors would not profit from an idea. However, with transparency being demanded from multiple stakeholders, brands have to adapt to the new “rules of the game” (Burnett & Hutton, 2007, p. 345). In line with this, Burnett and Hutton (2007, p. 347) state that transparency is “the key to honest practice since early times.” According to the researchers, consumers and employees do not expect brands to be perfect but rather have the perception that brands are not afraid to face challenges. By sharing information brands appear to be responsible and are able to gain trust by sharing and reporting about supply chain practices (Götz & Marklund, 2014).

In order to be able to communicate transparency towards consumers, brands should make sure that their internal information flow is organized in a transparent practice. According to MacLean (2011) this is not always the case, which results in an overload of information where there is rarely given any in-depth intimation in e.g. sustainability reports. Furthermore, the given information is often tedious and hard to compare when no standard measures are available. Moreover, transparency is more than showing the perfect picture to the outside world. In the changing market shortfalls can have great impact on the way customers perceive companies (MacLean, 2011). Through increasing transparency as a side effect of e.g. Social Media, the buying behavior of consumers is being influenced (Büttner, 2012). Customers take audit of all the brands they are in contact with through services and buying of goods; therefore, being open is becoming increasingly relevant (Götz & Marklund, 2014). Dingwerth and Eichinger (2010) state that it is obvious that transparency is needed in order to empower consumers to choose more consciously. However, they also identified a tension between the desire to know and the interest of not knowing too much. It appears that consumers are not prone to receive information that could be inconvenient and leads to a high demand of changes (Dingwerth & Eichinger, 2010).
3.3 Supply Chain practices towards a competitive advantage

Sustainable development is more an inspiring vision than an articulated concept that can be put into practice.

(Orsato, 2006 p. 207)

Trust seems to be a factor of increasing importance in the relationship between businesses and society (Globescan, 2017). Consumers nowadays expect businesses not to be solely profit driven and furthermore count on governments to hold companies accountable for their behavior towards shaping a better society. To be specific, consumers anticipate on companies to ensure safety and fair wages for employees. As shown in figure three environmental and sustainable practices in supply chain are highly appreciated by consumers (Globescan, 2017).

![Figure 3: Consumer expectations (Globescan, 2017)](image)

To transform business practices towards a sustainable direction, many frameworks have been formed over the years. The pressure from external stakeholders is a driver for companies to become sustainable, but different strategies are used internally to achieve a positive change. According to van Bommel (2011), current frameworks lack to explain why companies in similar size and power use different strategies towards becoming sustainable, instead of providing a framework usable in multiple companies. Furthermore, current frameworks mention logistics, management, economic, strategic and decision support, but are not discussing how companies face pressure to be innovative. Given this, van Bommel (2011) questions if the innovative power of a focal company is dependent for the implementation of sustainable practices. Moreover, claimed by van Bommel (2011) is that when pressure to become sustainable is not equal to the desire of a company to be innovative, there might be a
lack of available strategies to adopt sustainable habits. In order to react to pressure, the focal company has to have certain innovative and cooperative characteristics. If these characteristics are not present, the company is less capable of performing sustainable activities (van Bommel, 2011). Analyzing these characteristics requires a holistic view, so that the level of implementing sustainability in supply chains becomes measurable. According to Michael Porter (2004) a competitive advantage is acquired through offering low costs or product differentiation by having unique product features or services. The Natural Resource Based View on the other hand is based on offering a competitive advantage by managing all internal processes to use resources more efficiently, by incorporating Pollution Prevention, Product Stewardship and Sustainable Development (Hart, 1995). Primarily, the aim is to reduce the use of resources by implementing environmental innovation. Companies acquire and manage resources and therefore become more sustainable and exert on competitiveness (Hart & Dowell, 2011). When contemplating environmental strategies, Orsato (2006) has identified four approaches that could give competitive advantage to companies implementing sustainable policies, as seen in figure four. The chosen strategy depends on the way a company is competing in the market and what their core strategy is.

![Environmental strategies (Orsato, 2006)](image)

To imply the first strategy, which is being eco efficient, a company is mainly trying to increase the resource productivity. Orsato (2006) states that waste means an inefficient use of resources. Thus, by decreasing waste money can be saved and the environmental impact of processes is reduced. The second process is based on product differentiation and organizational processes. By increasing efficiency of processes, companies go beyond their legal compliances. Further Orsato (2006) mentions that by having certification of sustainable practices, companies can gain a first mover advantage and therefore a competitive advantage. Besides, the public opinion of a company is often shaped by an outstanding behavior, which might result in a positive change in consumer behavior towards sustainability.
The third strategy mentioned by Orsato (2006) is based on marketing the environmental attributes of a product. When a consumer is willing to pay for sustainable features, a brand is able to differentiate itself providing a unique product by not only offering the product for an affordable price. Yet in order to gain a competitive advantage, the information given has to be reliable, and the product has to be something not easy to imitate. It is often questioned if money driven brands are able to become sustainable. Moreover, it seems that companies based on such strategies are not able to compensate the environmental investments that have been requested. The fourth strategy posed by Orsato (2006) is called the environmental cost leadership. By using smart product design, less chemicals and other unsustainable materials, it possibly leads to becoming more sustainable whilst cutting expenses. Furthermore, Bonifant, Arnold and Long (1995) state that managers should look at environmental problems the same way as they do with business issues. Investments in environmental acts should be made because they will deliver a positive return or lead to a reduction of risks.

3.4 Communication as a process by Shannon and Weaver

Nowadays, several communication models exist but in this thesis the communication model by Shannon and Weaver (Baldwin & Roberts, 2006) will be introduced and applied due to its simple and convincing approach. As visualized in figure five, communication starts with the information source that transmits the message via a channel to be transmitted to the destination. Hereby, the transmitter encodes the message before the receiver decodes the message. In order to clarify the given terms used in figure five and transfer it to marketing and communication new terms can be applied. Thus, the information source symbolizes the company that wants to send out a message using the transmitter that represents the designer, marketing manager or the communication department to convey the intended meaning of the message. Also the designer, called receiver beforehand, can decide on the media outlet to best communicate the message (Baldwin & Roberts, 2006, pp.22). The decision in regard to the media outlet or channel depends on the audience, also called destination, and can vary between posters, social media, local press, or magazines. By choosing the audience, it is important to avoid communicating to the broad mass but rather focus on a core audience to ensure that the message will be understood correctly. This implies that “knowing your audience is key” (Baldwin & Roberts, 2006, p. 28) for successful communication strategies.
Although the communication process is simple, three types of problems can occur, which are divided in three levels called technical level A, Semantic Level B, and Effectiveness Level C (Baldwin & Roberts, 2006). Hereby, the technical level represents, as already explained above, the choice of channel to target the right audience. It needs to be considered how to communicate accurately to send out the correct message. The second level, called semantics, describes the choice of language, symbols or codes so that the message does not get lost on its way to the audience. The last level, called effectiveness, describes the affect of the message and if the message causes the intended behavior of the audience.

The noise, which is placed between the sender and receiver, represents an important part as well. At the technical level the noise describes a bad print in a magazine, for instance, and thus decreases the success of the communication. At the semantic level the noise relates to the cultural background and the belonging to a certain social group, which influences the encoding process of the message due to different backgrounds and circumstances. Besides, at the level of effectiveness the noise can occur if a product is only one among others without offering a unique selling proposition. Thus, the message needs to convince the audience in order to make the right purchase decision in store (Baldwin & Roberts, 2006).

### 3.5 Communicating Transparency and Sustainability

*Being able to make active choices requires knowledge*  
(Brønn, 2013, p. 82)

Nowadays, communication of sustainability becomes more frequently used in order to advertise products and services. Hereby, commercial advertisement can be used as a powerful tool to engage, educate, and raise awareness among consumers for sustainable product features (OECD, 2008). The author Brønn (2013) states that new technologies such as social media bring a multitude of options for the consumer to have access and actively participate in corporate social responsibility (CSR) actions. This underlines the assumption that customers demand for information transparency and availability about companies’ internal activities is growing. However, the communication in regard to corporate social responsibility and sustainability is confusing and still hard to understand for consumers (Brønn, 2013). The researchers Belz and Peattie (2012) claim that companies are challenged due to their versatile customer preferences to find suitable communication techniques to target the right customers with the right marketing message. Besides, due to the “ambivalence of communication” it is difficult to send out the intended message clearly so that all stakeholders understand it without creating a controversy (Belz & Peattie, 2012, p. 201). Hereby, it is meant that communicating sustainability practices can lead to a controversy by using irreverent tools in order to create awareness, for instance about child labor. It also depends upon how the receiver encodes the message dependent on cultural background, beliefs and knowledge on the topic as mentioned in the previous chapter. In order to avoid skepticism towards sustainable communication, the selection of the message and the channel are fundamental factors: “What to say and where to say it” (Du, Bhattacharya, & Sen, 2010; Brønn, 2013, p. 73). In order to be successful in
communicating sustainable practices the credibility and trustworthiness of marketing claims are essential. Research further shows, that it is the customer that decides about the messages credibility and not the communicator (Pickett-Baker & Ozaki, 2008; Belz & Peattie, 2012). Besides, Belz and Peattie (2012) state that in order to be perceived as credible by the consumer, the consistency within communications and business practices is highly important. Furthermore, they claim that effective and credible communication of business practices requires a holistic integration of sustainability and transparency within the business model. It needs to be considered that every single action inside and outside the company including the packaging, labeling, design of the product, and the accessibility and availability of information sends out a message as well. Thus, the consumer forms its own individual image of companies (Belz & Peattie, 2012). Former research reveals that labels on products can add value and increase credibility of sustainability claims, since a relatively high amount of consumers is engaged in reading labels and perceive the provided information as true. However, terms used on labels need to be easy to understand in order to prevent misunderstandings towards customers. Then, labels can be used to differentiate the product and gain a competitive advantage (D'Souza, Taghian & Lamb, 2006). It can be added that labels certified or given by third parties such as NGO’s increase the value for consumers (Belz & Peattie, 2012).

It can be claimed that in today's saturated markets companies need to be transparent, ethically and environmentally concerned in order to stay trustworthy for their stakeholders (Brønn, 2013). Besides it was stated by Brønn (2013) that companies need to engage stakeholders such as consumers in a dialogue instead of only publishing information. Hereby, it is also essential for brands to know their stakeholders and “what matters to them.” (Brønn, 2013, p. 76). It can be assumed, that this leads to a change in attitudes, raise in awareness, and higher amount of trust towards companies (Brønn, 2013). Besides, consumers can act as a mouthpiece by communicating their satisfaction or dissatisfaction to friends and family. This is called the “word of mouth” effect and needs to be considered by companies (Belz & Peattie, 2012, p.222).

An investigation carried out in Scandinavia, which found that Scandinavians are willing to recommend brands that have an appealing and credible communication strategy supports this statement (Brønn, 2013). Moreover, it was found that brands that communicate sustainable actions “too pushy” (Brønn, 2013, p. 83) increase skepticism and simultaneously decrease trust towards their marketing claims (Pfanner, 2008). It seems that communicating in a “strategic and reflective manner” can bring the expected success (Brønn, 2013, p. 83).

The researchers Thøgersen and Crompton (2009) have looked into the psychological effects of what is called Spillover, and how this could influence the adoption of pro-environmental consumer behavior. Positive spillover can be defined as encouraging a small change in behavior, where the consumer notices a positive impact and is therefore more likely to adopt larger positive behavior changes. This specific strategy is used to get the attention of customers to increase sustainable consumption. As McKay (2008) mentions; when everybody thinks a little adjustment towards sustainability is required, only little change will be achieved.

3 Non Governmental Organizations
To start the dialogue about sustainability, brands can communicate modest environmental habits. However, they eventually need to steer towards encouraging consumer to increase sustainable purchasing behavior. There seems to be increasing proof of positive spillover, nonetheless also the effects of negative spillover should be considered, which might occur when consumers justify not taking sustainable actions by knowing that they have already contributed in small scale. Thøgersen and Ölander (2003) consider this habits to be the reason for the slow pro-environmental movement of consumers.

3.6 Communicating CSR according to Conrad and Thompson

| Expectations of customers towards CSR communication | Be honest  
| Be accurate  
| Be transparent  
| Be integrated  
| Be engaging  |
| Roles of customers in the context of CSR communication | Constructive challengers  
| Decision-makers  |
| Issues of CSR communication to customers | Relevance  
| Complexity  
| Lead or be led  
| Reputational risk  |
| Key success factors for communicating CSR to customers | Substance first  
| Value for money plus  
| Consumer empowerment  
| Holistic integrity  |

Figure 6: Communication Strategy (Conrad & Thompson, 2013)

The researchers Conrad and Thompson (2013) draw attention to the risk of green washing by stating that 40 to 70 percent of communication that involves sustainability is declared as green washing without being intened as such. As visualized in figure six, the researchers determined four key success factors in order to successfully communicate CSR. The first factor out of four is called Substance first. Hereby, the researcher describes the right balance between communicating and doing in regard to environmental actions. Jessica Sansom mentiones in Conrad and Thompson that the communication represents “the icing on the cake” and advises companies to embed sustainability in the companys’ core values (Conrad & Thompson, 2013, p. 85). The second key success factor is called Value for money plus. This describes that sustainability can only function as a differentiator if the rest of the product fulfills consumers’ quality, function, and design requirements. Besides, it implies that sustainability is an extra benefit, but not the most essential part of the product for the consumer. Consumer empowerment represents the third pillar for success. Hereby, the authors mean that companies need to educate the customer. To empower the customer the language should be tailored around the customer thus accurate decisions can be made due to a high level of knowledge. The fourth key success factor is called Holistic integrity and describes the transparent communication of all activities carried out by a company, regardless if the activity is positive or negative. The expert Uwe Kleinert claims in the researcher's book, that
companies also need to show the negative side instead of only showing the “lighthouse projects” to increase trust (Conrad & Thompson, 2013, p. 85).

3.7 Sustainability Marketing

*It is a common assumption that marketing and sustainability are set for a head on collision because marketing is about selling more while sustainability is about consuming less.*


It can be stated that the concepts of sustainability and marketing are contradictory in their individual approach. The concept of sustainability aims to decrease consumption in order to protect humans and the environment, whereas through marketing, companies aim to increase production, sales, and profit, thus economic growth (Jones et al., 2008). The concept of Sustainability marketing tries to combine the conventional marketing concept and the values of sustainability to raise the consumers’ awareness about environmental and social grievances (Belz & Peattie, 2012). The American Marketing Association (AMA, 2013) defines marketing as the “activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” Hereby, it becomes clear that conventional marketing is the process of selling goods and services in big scale without integrating sustainability strategies. In contrast, sustainability as it has been explained in greater detail in previous chapters is a concept trying to reduce consumption by valuing each product or service. The researcher Fuller (1999, p. 4) defines sustainability marketing as follows:

*The process of planning, implementing, and controlling the development, pricing, promotion, and distribution of products in a manner that satisfies the following three criteria: (1) customer needs are met, (2) organizational goals are attained, and (3) the process is compatible with ecosystems.*

The definition underlines the importance of satisfying the customer by simultaneously fulfilling financial goals and at the same time implementing social and environmental regulations. Before sustainability marketing was researched and known ecological marketing was developed during the 1970’s (Henion & Kinnear, 1976). Hereby, ecological marketing emerged as a response due to large environmental damage during that time mainly caused by industries such as oil, chemicals, and cars (Belz & Peattie, 2012). From the ecological marketing green, or also called environmental marketing, was developed in the late 1980’s. The researcher Peattie (1995) states that this marketing approach focused on customers in Western Europe and North America who were willing to pay higher prices for greener products. Belz and Peattie (2012) further claim that green marketing compared to ecological marketing additionally focused on environmental issues such as the low living standards in poor countries, saving species from extinction, and the destruction of ecosystems.
Because consumer awareness increased for environmental concerns, companies tried to use green marketing as a competitive advantage (Belz & Peattie, 2012). The researchers Belz and Peattie (2012, p.29) define sustainability marketing as “building and maintaining sustainable relationships with customers, the social environment and the natural environment.” It was further claimed that with sustainability marketing companies and customers could actively influence the environment they are living in, whereas in the conventional marketing approach the environment has high influence on consumers and companies and cannot be shaped by each individual. This can be reasoned by the fact that in sustainability marketing the key players are actively engaged by making more responsible and environmentally friendly buying decisions and thus shaping the world for future generations (Belz & Peattie, 2012).

Figure seven visualizes all six key elements representing the managerial approach of the sustainability marketing mix. Hereby, consumer behavior in combination with socio-ecological problems represents the context for sustainability marketing. Since the textile industry is one of the most polluting industries in today's society (McNeill & Moore, 2015), it represents the social and ecological need for sustainability marketing (Belz & Peattie, 2012). Furthermore, the consumer behavior, which comprises the purchase, use and post-use of products, needs to intersect with the socio-ecological problems in order to create the need for sustainability marketing. The researchers Belz and Peattie (2012) further claim that after identifying the need for sustainability marketing, companies need to shape their corporate values and objectives which also needs to be integrated in the company's practices and processes. Moreover, the balance between ecological, social, and economic objectives needs to be individually adjusted for every single company and product or service in order to be credible. To create a sustainable marketing strategy, the researchers state that it is important to know the exact target group, position the product at the right place and the right time, and know the products unique sustainable selling proposition. In order to implement suitable strategies the sustainable marketing mix serves as foundation (Belz & Peattie, 2012). The conventional marketing mix is known for its four P’s representing the Price, Product, Place,
and Promotion (Kotler, Armstrong & Parment, 2011). Hereby, the focus lies on the company's actions and on the product and its marketing instead of the customer. Thus, the author Lauterborn (1990) and the researchers Belz and Peattie (2012) claim that for sustainable marketing the four C’s are more suitable by focusing more on the customer instead. Therefore, the four C’s represent the terms Customer Solutions, Customer Cost, Communication, and Convenience. As the name implies, Customer Solutions stands for products solving specific problems for the consumer. Hereby, it is highly important to know the consumers needs in order to create a product fulfilling those desires and at the same time considering the sustainable aspect. The second C, called Consumer Cost, comprises the holistic costs of a product by not only considering the purchase price but also the costs within the use and disposal phase. Communication in the sustainable marketing mix is defined as “interactive dialogue” instead of being a one-way communication as in the conventional marketing (Belz & Peattie, 2012, p.31). The goal is to achieve a trustful and credible relationship with the customer. The researchers Kotler, Armstrong and Parment (2011) state that companies today aim to build a deeper and stronger relationship with the targeted customer instead of aiming for the broad mass. Hereby, the interactive communication can help to achieve this goal of a more meaningful relationship between company and customer. Convenience represents the accessibility of a product and that the product is easy to use and that it closes a gap on the market (Belz & Peattie, 2012).

3.8 Relevance of Sustainability Marketing

*Having a pro-social agenda means having a powerful marketing tool that can build and shape a company's reputational status.*

(Bronn & Vrioni, 2001, p. 218)

The Organization for Economic Co-operation and Development short, OECD (2008), claims in their report that the marketing of sustainability is as important as to produce sustainable products as well as to reduce the environmental harm. By saying that sustainability marketing is essential for companies that want to promote and communicate sustainability in order to form a certain brand image, construct value for the customer, and to raise the awareness for sustainable products, the authors Jones, Comfort & Hillier (2005) underline the relevance of sustainability marketing. Through informing and educating the customer, it becomes more obvious and easier for the consumer to understand the connection between the individual behavior and the resulting environmental consequences (Bronn & Vrioni, 2001; Belz & Peattie, 2012). The researchers Belz and Peattie (2012) further state that this can lead to a more conscious purchasing behavior and consumers can become partners in order to achieve more sustainable solutions for the future. Likewise, according to Bronn and Vrioni (2001) it is necessary to communicate the integration of CSR in brands business models to stakeholders in order to reinforce the brand-stakeholder relationship. Conrad and Thompson (2013) argue that instead of marketing sustainability, brands have to act sustainably. It is all about “Perception is reality”, thus brands need to focus on shaping a positive perception by acting appropriately (Conrad & Thompson, 2013, p. 91). To conclude, from several studies the
Conrad and Thomphson (2013) additionally found that the lack of knowledge as well as non-trustworthy advertisements related to sustainable products are mainly responsible for customers’ unsustainable purchase behavior. In regard to those findings, Conrad and Thompson (2013) suggest that sustainability marketing needs to focus on the product itself and not primarily on the brand image or promotion. Also, marketing of sustainability needs to be become “the state of art advertising” (p. 96), attractive, and appealing instead of only being informative. Finally, the researchers suggest that sustainability marketing has the potential to convert the image of sustainable brands into appealing and desirable images because brands have the power over the consumer (Conrad & Thompson, 2013).

3.9 Relevance of sustainability and transparency for the consumer

Drivers to be fashionable often outweigh drivers to be ethical or sustainable.
(McNeill & Moore, 2015, p. 212)

Today, the concept of sustainable development in several industries does not only affect governmental policies in regard to environmental actions but rather company's supply chain activities (Castaneda et al., 2015). This is due to the fact that the consumer demands it by becoming more environmentally conscious in buying goods. This behavior is described as sustainable consumption, which is the key element of being active against the negative impact production and consumption. Besides, the ethical side such as the production of consumer goods has been put in focus and increasingly gained consumers attention (OECD, 2008). The researchers Belz and Peattie (2012, p.99) underline this statement by saying that the sustainable consumption can be ethically driven but can also be “based on rational decision making and enlightened self interest.” Furthermore, the researchers Belz and Peattie (2012) claim that consumption is often seen as an economic phenomenon which is driven by the collective satisfying of demands and needs. However, it is additionally driven through social and cultural processes since individuals express their identities and state a belonging to a certain social group, especially in consumption of fashion. Several researchers have identified a few hurdles in regard to sustainable consumption. The researcher Connell (2010) states that fashion consumers show a lack of knowledge in regard to the extent of waste generation and the environmental impact of fashion production. Thus, the researchers assume that the lack of knowledge is the reason for non-sustainable consumption behavior. Moisander (2007) argues that through increasingly available information consumers become unable to process and evaluate this information. This leads to the fact that consumers trust the known and valued brands. In contrast, Belz and Peattie (2012) state that through more available information the customer can be educated. This assumption is underlined by the statement of the OECD (2008) that education is the most important tool in order to make customers purchase more environmentally consciously. Consequently, this results in a higher interest in environmental concerns and the customer feels engaged by asking himself “What does it mean for me?” (Belz & Peattie, 2012, p.88). Hereby, the consumer is triggered to think about personal values and about what sustainability means personally for them. It can be claimed that the shift
towards a more sustainable lifestyle away from materialism results in an “anti-consumption” behavior (Belz & Peattie, 2012, p.96). But research has shown that consumers who show interest in environmental issues not necessarily act appropriately and transfer it in sustainable clothing purchases (OECD, 2008; Connell, 2010; Joy et al., 2012). The desire to express the identity through fashion is especially important for younger woman (OECD, 2008; Joy et al., 2012). This underlines the existing “value-action gap” that describes the interest in sustainability without turning the knowledge into actions (Blake, 1999, p.275).

The opaque and unsustainable supply chains reasons the skepticism towards sustainability among fashion consumers during the manufacturing of textiles (McNeill & Moore, 2015). Moreover, the sustainability claims can be perceived as non-trustworthy and money-driven as the case of the sports giant Nike shows (Holt, 2002). Moreover, Beverland (2009) argues that today's customers show passion for the production process of a product. Research shows that companies that holistically implement sustainability in their business practices can achieve a competitive advantage (Ritch & Schröder, 2012). This implies the importance of transparent supply chains in order to be perceived as credibly sustainable by the consumer.
4 Case of Patagonia

Within this chapter, it will be explained how Patagonia grew to be the business it is today, where after it will be illustrated how they have integrated sustainable habits into their supply chain and business strategy. Furthermore, it will be demonstrated how Patagonia communicates sustainable matters to all of their stakeholders, by mainly focusing on communication towards consumers.

4.1 Patagonia’s integration of sustainable and transparent practices

The story of Patagonia starts with the founding of Chouinard Equipment, 1964. Back then, the product range forged by blacksmith Yvon Chouinard included mostly climbing tools. The products stood out because of the clean lines, since the goal was always to make products as multifunctional, efficient and lightweight as possible. Moreover, the main goal never was to be a money driven company but instead earn enough to pay the bills (Chouinard, 2005). Eventually, Chouinard found other ways in which he could upgrade outdoor activities, by selling high quality clothes. Even though sewing skills had to be developed, Chouinard and his employees knew how to make things functional, though and simple. To ensure that the new upcoming clothing line would not affect the tool company Chouinard Equipment, Patagonia was founded in 1973. The company was created with the expectation of being an “easy-to-milk cash cow”, since Chouinard Equipment made great products, but was not highly profitable (Chouinard & Stanley, 2013).

The first action towards sustainability was held in 1972, when mountain-disfiguring pitons, which held a large part of sales, were cut out of production and replaced by the more environmental friendly chooks. This action came along with the first attempts on strong communicating towards consumers, on why they should change towards sustainable habits. Patagonia has been on the forefront of educating their customers since the communication via catalogues, for example, on how to dress appropriate for certain outdoor conditions (Chouinard, 2005). When testing the clothes for durability in extreme weather on climbing trips, the rapid change of the environment was noticed. This makes Chouinard decide to support small groups of activists, as they show to have great impact when it comes to environmental causes. After the economic crisis hit Patagonia in the 90’s, the company had to rethink their values and purpose as of why they were in business. Throughout this process, the Mission Statement was formed. Chouinard realized that Patagonia could be an example for other companies to become sustainable and environmental friendly. To become an example for others, Patagonia had to establish their own benchmarks since there was an absence of sustainable standards within the textile and fashion industry (Trebilcock, 2009). The first LCA\(^4\) report was written in 1994. It resulted in understanding the impact that textiles, in particular cotton, have on the environment. As a result, only organic cotton was used within

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\(^4\) Life cycle Assessment
production. Besides, from 1993 recycled polyester was used in several styles (Chouinard, 2005).

After conducting the first LCA, Patagonia started to work actively on changing their impacts. As a relatively small company at the end of the 90’s, they had little insight in their supply chain. And when information is not available, it cannot be communicated to stakeholders. Chouinard knew in order to be sustainable, the business should not take more from nature than it would be possible to give back. But unfortunately, “we do take more than we give back, we do harm nature more than we help it” (Chouinard & Stanley, 2013 Ch. 1). Firstly, the unsustainable behavior in hands reach was changed. Patagonia has never owned a mill or factory, so; “We were dependent on our supply chain, we thought, and not in a position to get them to change their ways” (Chouinard & Stanley, 2013 Ch. 4). The first steps towards sustainability were made through responsible energy consumption, and recycling as much as possible. According to Trebilcock (2009), Patagonia was the first company in California using recycled paper, and the first to equip their buildings with renewable energy sources.

Chouinard quotes Daniel Goleman on how businesses should work towards a more transparent supply chain; “Know your impact, favor improvement, share what you learn” (Goleman, 2010). Moreover, Patagonia wrote a sustainability report to communicate their actions to stakeholders. However, the Director of Environmental Strategies, Jill Dumain, mentions that a sustainability report is not as receptive as hoped for “It just wasn’t the way we talked to our community and customers” (Höskolan i Borås, 2014). So, as Chouinard believes that “much of what companies hold secret would be better of revealed” (Chouinard & Stanley, 2013, Ch. 6), the brand starts to work on the Footprint Chronicles to present transparency in a beneficial way for Patagonia and its stakeholders. By publishing the list of factories, textile mills and farms through the Footprint Chronicles, Patagonia allows society to judge every internal practice. Hereby, situations arose where customers and NGO’s reprimanded Patagonia. This helps the brand to reevaluate processes to live up to their longevity standards, since Chouinard and Stanley (2013, Ch. 6) state that “transparency is a precondition for positive change but it does not guarantee it”. Besides stakeholder notifications, Patagonia’s factory audits brought knowledge about Fair Trade practices and certification. When a farm, factory or textile mill does not live up to standards based on quality, traceability, environmental health and safety, or social responsibility, the outdoor brand might not partner up with them (Patagonia, n.d., k). Moreover, if a supplier does life up to the standards they will still be encouraged to improve social and environmental conditions. These practices belong to one of the most environmental corporations of today and shows that Patagonia values the impact of its resources just as what number stands below the bottom line (James et al., 2015).

Moreover, with the Footprint Chronicles, Patagonia created a channel through which it is able to educate customers on sustainable and environmentally responsible acts. The brand has shown how effective their field visits and “shock strategy” marketing is in raising stakeholder awareness (Sathe & Crooke, 2010). Besides, Sathe and Crooke (2010) mention that through showing the negative impacts products have on the environment, Patagonia is able to persuade customers to pay a premium price for sustainable products and service. But, as MacKinnon (2015) describes the large growth of annual sales of the company, something
he calls the “Patagonia Paradox” can be observed. The anti-consumerism marketing is building the brand of Patagonia, as it is seeing a large annual growth. This all could have backlashed, when Patagonia would not have set a record amount of environmental and social investments through their membership in “1% For The Planet” (Patagonia, n.d., j). However, it is difficult to define the line between when Patagonia’s marketing encourages sales and when it does not. As MacKinnon (2015) mentions, Patagonia thrives on the difference between bad growth and so called good growth. Expanding because of increasing individual consumption of on-use products can be seen as bad. However, buying fewer things at a higher price, which last longer and have low-impact manufacturing processes are features of “good growth”. By expanding in this manner, Patagonia is able to communicate with a large market that supports this anti-consumerism lifestyle (MacKinnon, 2015). Nevertheless, Patagonia has shown to be an example for other textile and fashion companies when it comes to sustainable business practices. Even though Patagonia has reached some remarkable goals, Chouinard knows that “there is no responsible company, only responsible companies of varying degrees, who act strategically to do less harm while improving, not sacrificing, the health of the business” (Chouinard & Stanley, 2013 Ch. 3). The brand still has to overcome evident hurdles to reach their highly ambitious sustainability goals, but is currently perceived as pioneers in the field of sustainability (James et al., 2015).

4.2 Patagonia’s ways of communicating Transparency and Sustainability towards the customers

With powerful communication [...] it is no wonder that even sceptics become Patagonia customers, and customers become Patagoniacs (Ottman, 1998, p. 6)

The mission statement of the outdoor textile brand Patagonia “Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.” illustrates their holistic commitment to the protection of natural resources since many years (Patagonia, n.d., a). Already 19 years ago the researcher Ottman (1998) praised the outstanding communication of Patagonia. Ever since, their marketing communication goal had been to holistically educate the consumer to raise the awareness about environmental concerns (Ottman, 1998). In addition, it was claimed by the director of environmental strategy Jill Dumain (Högskolan i Borås, 2014) that Patagonia has a strong history in storytelling and also communicates issues that still need to be improved instead of solely focusing on the positive impacts of their operations. In the book written by Patagonia founder Yvon Chouinard (2005, p.149) the image philosophy is described as “human voice” (p.149) of people who care about the world, and comprises four key messages. The first one is called “Telling the Entire Story.” Chouinard outlines that Patagonia tells the entire story by informing the customer, either through their webpage or through their catalogue to meet different demands and target groups. Hereby, it is underlined that the catalogue expresses the “deep appreciation for the environment and a strong motivation to help solve the
environmental crisis.” (p. 150) and forms the fundament to transport the brand image to the customer. One of many catalogues from 2017 shows a picture of a sportsman climbing a mountain on the cover, which visualizes the strong commitment to nature and indicates the “taste for real adventure” (p.150). Inside the catalogue the products and its characteristics are explained in detail to show all features and materials the product involves. The author Ottman (1998) refers to the educational character of Patagonia's catalogue and says that it “feels more like National Geographic’s” (p.5). Patagonia’s webpage discusses and comprises various aspects besides the online shop. For instance, different ambassadors from outdoor sports such as climbing, fly fishing, and winter sports are introduced (Patagonia, n.d., b). Moreover, for each of the outdoor sports mentioned above exists an extra page on Patagonia’s webpage with information about the sport, appropriate clothes for extreme conditions, and also a documentation about trail running is advertised to transfer the spirit and passion of the individual sport to the customer (Patagonia, n.d., c).

Also, to show their environmental and social responsibility, Patagonia explains how they chose factories and mills and emphasizes the code of conduct based on the International Labor Organization, short ILO, in order to meet labor standards and quality requirements (Patagonia, n.d., d). Under the rubric “worn & wear” (Patagonia, n.d., e) Patagonia engages customers to share their experience and inspire other individuals in short videos, to extend the lifetime of their garments by fixing it instead of throwing it away. Also, various times throughout the year, Patagonia offers meetings in cities all around the world where everyone, not only customers, can bring their broken clothes and have them fixed. In line with that, the outdoor company offers a guide with instructions on their webpage for multiple issues such as the application of a water repellent coating or how to install a zipper (Patagonia, n.d., f). Besides, as already explained in the former chapter about Patagonia's supply chain the “Footprint Chronicles” inform the customer in detail where clothes are produced. Hereby, a world map is shown highlighting three different types of production facilities, which are textile mills, factories, and farms. By clicking on one of the highlighted facilities detailed information about the types of garments and the way the factory is fulfilling Patagonia’s ethics and quality requirements are showing up (Patagonia, n.d., g). The researchers Kesavan, Bernacchi, and Mascarenhas (2013) claim that the footprint chronicles have helped Patagonia to increase sales for about 100 percent due to customers willingness to support companies that are perceived as credible in engaging in environmental concerns. Also in their webshop, rich and detailed information about the material used and its characteristics, the production and the impact on the planet are listed beneath each item. By showing a video about a garment in the online shop, carried out by a sales employee, the holistic integration through all hierarchical levels is demonstrated (Patagonia, n.d., h). Besides, since a broad variety of materials is used for the production of outdoor clothing Patagonia explains all different kinds of materials such as hemp, recycled cotton, Yulex, and recycled polyester to give the customer the possibility to inform about the differences in performance and sourcing (Patagonia, n.d., i). Thus, the customers have a lot of options to educate and inform themselves about the product and the environmental background and impact.

The second key message is called “Photography” and contains the usage of photos imaging customers wearing Patagonia’s garments with the intention of the founder to show “real people doing real things” (Chouinard, 2005, p.152). Hereby, it was important to
Chouinard (2005) to equally show men and women. This illustrates the importance of integrating customers within their advertisement and communication process.

“Copy” describes the third key message for transporting the brands image and means telling the “own story clearly” either in the catalogue or online (Chouinard, 2005, p.154). Hereby, two basic concepts can be mentioned such as the personal stories of customers that demonstrate the brand's values and the descriptive copy, which aims to sell the products and inform the customer (Chouinard, 2005).

“Promotion” represents the fourth dimension and introduces the guidelines regarding advertisements within and beyond the catalogue which are as following:

1. Our charter is to inspire and educate rather than promote
2. We would rather earn credibility than buy it. The best resources for us are the word-of-mouth recommendation from a friend or favorable comments in the press.
3. We advertise only as a last resort. (Chouinard, 2005, p. 155)

In the book written by founder Chouinard (2005) it becomes clear that Patagonia, as point three already implies, uses advertising only as a last option because it is assumed that the core customer of the outdoor brand does not shop for entertainment but rather when they are in need for a special type of clothes. Furthermore, the founder feels the advice given by good friends is valued more and therefore no advertisement or only occasional advertising is needed. Besides, Patagonia patterns its communication strategy around the core customer although it might reject other customers (Chouinard, 2005). As point one points out, the foremost goal is to educate the customer and raise awareness about environmental issues in general (Chouinard & Stanley, 2013). Also, Patagonias employees are all engaged in sustainability and are true Patagonia customers even before they enter the company in order to have a strong commitment and live up to it (Chouinard, 2005). As stated in the book, it is not seen as authentic to create an image. But instead Patagonia lets the image arise from the strong passion and values created by the employees and the founder in order to create an authentic image towards the customer. Therefore, Chouinard claims that the image is the “direct reflection of who we are and what we believe” (Chouinard, 2005, p. 147). In order to control the image it is important to control all actions and products that can be purchased to shape a good perception, also on all marketing and sales channels (Chouinard, 2005). However, Rarick and Feldman (2008) claim that Patagonia already has a specific target group that is well educated and well off financially. Consequently, it is easier for the brand to make sustainable products for higher prices and mainly aim to educate instead of doing specific advertisement to increase sale.

Since nowadays, social media represent great opportunities to communicate and market products, Patagonia is actively engaged in using multiple channels such as Instagram, Facebook, Twitter, Blogs, and Pinterest. Throughout all channels the way of presenting pictures as well as the communication strategy stays the same (Instagram, 2017a; Patagonia, 2017a). The channels show appealing pictures of nature and sportsmen following their passion (Instagram, 2017a), Partnerships with Fair Trade Organisations (Instagram, 2017b) and in between the customer can find videos introducing and educating the customer about
products and their materials and functions (Instagram, 2017c). Moreover, Patagonia raises attention on their yearly donations at Black Friday, where they spend all sales earned during that day to grassroots organizations being active on saving resources for future generations (Marcario, 2016). For example, in 2017, Patagonia sponsored a documentary called “Fishpeople” made by Keith Malloy who is an American surfer and ambassador of Patagonia. The movie tells the story of six people that are passionate about the sea and the enrichment it brings them of feeling connected to the water (Ritchie, 2017). By launching the blog “The Cleanest Line” in 2007, Patagonia aims to further strengthen the relationship to its customers by opening the dialogue about their products, sports they love, and concrete environmental issues. Customers can actively contribute by sending in articles and information that go in line with the topics the blog covers (Patagonia, 2017b). Several researchers found that Patagonia’s main purpose is to successfully engage the customer in their CSR communication and sustainability issues by incorporating the customer’s feedback for future business operations (Kesavan, Bernacchi & Mascarenhas, 2013; Boynton, 2013). Consequently, the revenues have been doubled within eight years between 2002 and 2010. Therefore, it can be assumed that Patagonia’s marketing strategy has been perceived positively and as trustworthy among customers (Kesavan, Bernacchi & Mascarenhas, 2013). In 2011, during Black Friday taking place in the United States, Patagonia clearly stated its anti consumption message in the US magazine Times by advertising with the slogan “Don’t buy this jacket” (MacKinnon, 2015). The intention behind the advertisement was to encourage people to think twice before purchasing a product they do not really need. However, the opposite effect was the effect and Patagonia’s sales significantly increased in 2012 and the growth did not stop yet (MacKinnon, 2015). Thus, Patagonia has been criticized to use the anti-consumption message as an opposite marketing strategy to attract more consumers and thus increase production and sales (MacKinnon, 2015).
5 Findings

Within this chapter the aim is to identify patterns based upon the gathered empirical data. First, findings of primary data, the conducted interviews, are connected to find parallels and patterns. Furthermore, findings from the secondary data deriving from the case study on Patagonia will be displayed.

5.1 Findings Interview

By interviewing several experts in the field of textiles it was found that transparency can be used as a tool by companies in order to improve trust, achieve the full control over their supply chain, and thus a competitive advantage can be achieved. It seems that trust is the key to success because once companies have gained the customers’ trust the brand can shape an identity around their business operations and shape a clear picture for the customer. Hereby, it is trustworthy towards customers to cooperate with NGO’s, not only to achieve transparency, but also to convince and show the customer by demonstrating the true commitment and selflessness in regard to their sustainability efforts. However, those partnerships with NGO’s are time consuming and still need to be improved. Companies such as the interviewed Swedish fashion brand sees the need in being transparent, although there are no legislations set yet, but underlines the challenge of being transparent. One expert further stated that the biggest challenge is to gain reliable and comparable data and therefore they “don't want to risk putting information out there that is not 100 percent accurate.” Jonas Larsson, a teacher from the Swedish School of Textiles, claimed that the level of trust does not depend on the customer but rather on the sender of the message. Thus, it was claimed that fast fashion companies have a lack of trust due to its unsustainable business model. This leads to a non-credible communication of transparency and sustainability and accordingly to the accusation of green washing. In this context, the sustainability manager of the Swedish fashion brand referred to the latest commercial of a competitive Swedish fast fashion retailer that has been heavily criticized and was accused of green washing. Thus, Simonetta Carbonaro claimed that it is highly important for companies that “sustainability becomes part of the intrinsic value of what you are delivering.” Further, sustainability needs to be embedded into the core of a company's business strategy to be perceived as authentic and credible, which can be confirmed by the interviewed sustainability manager. In order to show the real commitment for sustainability, companies need to set a date underlined by the quote stated by Carbonaro “The difference between a dream and a goal is a date.” Ways of expressing the true commitment and by that create authenticity is according to Carbonaro also possible by designing fashion that lasts and never goes out of style. Hereby, it is meant to create new aesthetics for the consumer. Since nowadays the awareness for CSR and the customer engagement in sustainability is increasing Carbonaro stated that doing green washing is not possible anymore. Two opposite statements can support the controversial view towards fast fashion companies in connection with sustainability. Larsson believes that fast fashion companies can be sustainable in the future whereas Carbonaro describes sustainable fast fashion as a fata morgana. The sustainability manager referred to a sustainability study carried
out in the Scandinavian countries that seven percent of the consumers are dedicated to sustainability whereas the majority is interested but for them the price and sustainability ratio needs to be convenient. Since sustainability and transparency becomes more popular Larsson claimed that companies start to compete by selecting a niche in being sustainable to achieve a first mover advantage. According to Larsson, it can be helpful in order to raise awareness among consumers, to engage the consumer in the whole process. These results from the fact that humans are curious where things come from and how they are produced which is described by the term “thinginess” (Larsson). By integrating the customer in the supply chain by being transparent the customer can be activated. The Swedish fashion brands sustainability manager underlines that activating the customer is essential in order to enable companies to develop sustainable fashion. This train of thoughts can be continued by the quote of Carbonaro “Consume for the sake of possession but for the sake of having a better life” that clarifies how the consumer’s way of thinking needs to be changed to achieve a sustainable purchasing behavior. To do so, all experts state that companies need to communicate in a simple, accessible, and understandable way so that the consumer has not to actively search for information but rather gets it at the point of sales or on the webpage. Also, integrate the consumer in the communication process instead of having a monologue was claimed to be important for successful communication. However, it was admitted by the sustainability manager that companies still struggle to find the perfect way of communicating sustainability due to a lack of knowledge regarding the information the consumer requires. Besides, it can be added that according to the sustainability manager no fashion brand “can be seen as a role model in communicating sustainability.” A point that everyone agreed upon is the holistic integration of all channels when it comes to the right communication strategy.

5.2 Findings Case Study

The Patagonia case study has been analyzed through keeping in mind the theory that led to choosing this specific case. Moreover, focused is on the research questions and the specific findings within the case that can give answers to these questions (Yin, 2009). Throughout presenting the findings of the case study the focus lies on the main topics described; the history of how Patagonia grew to be the company it is today, the sustainable supply chain practices and how transparency is developed, and eventually how these actions are communicated in a clear and understandable way towards customers.

To present the business practices of Patagonia, the conducted case study describes the history of Chouinard Equipment that was known for its perception of quality. From this, the mindset of Patagonia was shaped. By being an outdoor company, the impact they had on the environment was noticed early on. This resulted in integrating sustainable habits, which explains that the firm was not sustainable since its establishment. However, taking care of social and environmental aspects grew to be a part of the company. Moreover, after Patagonia endured its first economic crisis, Chouinard had to revisit the main objectives of why the company was truly in business. By considering what was personally important to the founder of Patagonia, the focus within the company became more grounded. The mission statement was formed, and values focused mostly around environmental themes. The aim was to be an
example for other companies to show that sustainability could be reached within a business that is profitable. To be able to work towards sustainable goals, it is mentioned that a company has to know their own habits and work towards transparency for a positive change (Chouinard & Stanley, 2013 Ch.6). The first LCA was conducted, and therefore James et al. (2015) state that hereby Patagonia became a pioneer on sustainable clothing. To communicate the information that arose from the LCA, Chouinard understood that transparency had to be created (Chouinard & Stanley, 2013). But in order to fulfill the work towards sustainability, Patagonia had to improve and understand their impacts. Eventually transparency became evident and by raising interest of customers, profits also increased.

Moreover, the high engagement of all employees needed to trace the supply chain resulted in a higher product quality. To be able to present these efforts to trace down the supply chains in a clear and understandable manner to all stakeholders, the Footprint Chronicles were developed. By mapping the supply chain and making it publicly available, many can engage in the discussion. As Patagonia understood that the journey towards sustainability can be problematic, they joined hands with other major companies to create a forefront. Besides, working on the SAC\(^5\), the FLA\(^6\) and being criticized by PETA\(^7\) helped to reveal unethical practices. Moreover, suppliers are key partners and have to meet the parameters set by Patagonia. When key partners do not meet these standards, Patagonia works together to improve sustainable habits. Throughout all effort, the mission statements is kept in mind; “Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis” (Patagonia, n.d., a).

By increasing sustainable practices, Patagonia strongly engaged in creating shock with their campaigns. Besides, their strategy included educating the customers through storytelling, and Patagonia did not shun showing negative impacts of business practices. The aim is to send out information through four key objectives; Telling the entire story, Photography, Copy and Promotion. Raising awareness about environmental concerns is done through multiple channels to educate the consumer in a holistic way. When communicating, the focus lies mainly on sending a message considered interesting for the typical core customer. Chouinard considers this a necessity, even though they might not be appealing to other customers (Chouinard, 2005).

The catalogues send out by Patagonia focuses on creating a truthful image, mainly to inspire and educate customers, by making it look more like a magazine than a selling guide (Ottman, 1998). Besides, the same mood is created throughout multiple channels to create a consistent message. Tempting pictures of nature, surfing and climbing trips are shown on e.g. Instagram, Pinterest and Facebook. These pictures are never staged, but made by brand ambassadors or customers to create genuine photographs. Moreover, the customer can watch instruction videos on how to handle their clothes. Additionally, product video’s can be found on Patagonia’s YouTube channel to inform potential buyers. Also, partnerships with NGO’s are displayed on these channels. Throughout the overall communication, Patagonia practically never uses paid advertisements, since they prefer to earn credibility from word-of-mouth recommendations of customers. To display the importance of communicating with customers

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\(^5\) Sustainable Apparel Coalition
\(^6\) Fair Labor Association
\(^7\) People for the Ethical Treatment of Animals
instead of only having one-way communication, the blog “The cleanest line” was introduced in 2007. Here, one of the key objectives steps in; Telling the entire story. To strengthen the relationship with customers a place for dialogue is created. By having the opportunity to send in articles or comments, customers are actively encouraged to contribute. Due to authentic and credible ways of communication (Kesavan, Bernacchi & Mascarenhas, 2013), customers have appeared to be loyal to the brand and revenues have doubled in recent years.
6 Analysis and discussion

After having presented the results of the conducted research in the previous chapter, it is possible to analyze and verdict the results. Also, the results of the case study and interviews are associated with the theory emerging from the gathered literature. Finally, these results will be argued and discussed in order to formulate a final analysis of all gathered data.

6.1 Analysis of Interviews in combination with Literature

By matching the literature with the findings of the primary data gathered through interviews, it was found that the majority of information is concurrent. For example, it was stated that although the customer has access to a high amount of information it is still confusing and not clear for companies what information the customer desires. This can be underlined by the sustainability manager, which stated that the Swedish fashion brand still does not know what kind of information the customer desires. The researcher Moisander (2007) claimed that through the increasing amount of available information, the customer is unable to process the information and keeps trusting the known brand. All experts interviewed agreed that the information given by companies need to be simple, accessible, and easy and favorable given to customer at the point of sales or on the webpage. This leads to the fact that customers are confused because companies in the fashion sector struggle to communicate in an understandable and educating way. However, it became obvious that information has to be easy and simple. However, what kind of information in regard to CSR and sustainability the customer requires and does increase trust towards brands cannot be explicitly said yet. Besides, Belz and Peattie (2012) claim that due to companies’ versatile consumer groups, it is challenging to find the right communication strategy suitable for each individual. Also, the consumer of fashion companies still show a lack of knowledge in regard to the harmfulness of the textile production, usage, and consumption (Connell, 2010). Due to the lack of knowledge and the versatile consumer groups it becomes even more difficult to find a appealing and at the same time educating communication strategy for brands. This leads to the assumption that fashion brands need to find an easy and appealing way to publish simple information that inform consumer at the point of sales about the product and the production so that the knowledge gap decreases. Moreover, Conrad and Thompson (2013) suggest that marketing of sustainable products better focuses on the product and show the environmental impact on a smaller scale so that it is easier for the consumer to grasp and to transfer to its individual behavior. Consequently, this can lead to a better understanding of the effect of fashion consumption on the environment and closes the “knowledge action gap” (Markkula & Moisander, 2012). However, another finding that was detected through secondary and primary data is that a successful communication strategy requires brands to integrate the consumer in the process in order to be trustworthy (Brønn, 2013). Further, it can be suggested that by integrating the customer it is more obvious for brands “what matters” to them (Brønn, 2013, p. 76). Thus, by using an “interactive dialogue” instead of a one-way communication the company can adjust the strategy according to the customer’s feedback (Belz & Peattie, 2012, p.31). It can also be stated that companies should rather focus on the core customer and
specify the communication strategy according to the core targets groups preferences instead of targeting the broad mass (Kotler, Armstrong & Parment, 2011). Thus, it becomes possible for brands to have a dialogue with the core customer to find out what matters to them and how much they already know about their individual impact when it comes to fashion purchases. By focusing on that specific target group, the information and its level of educational character can thus be tailored around that customer and is perceived as valuable information that increases authenticity and trust. Also, the relationship between the company and the customer can be strengthened and leads to a loyal behavior. Besides, the level of education is raised and thus the consumer is empowered to make more responsible decisions. By also being transparent and open about each step within the business processes the customer feels integrated and gets the feeling of being part of the company's actions. It can be assumed that this leads to a higher level of responsibility reflecting in a more sustainable consumption behavior. Because the customer decides on the level of trust towards a company it seems highly important to integrate the customer. Therefore the level of trust can be increased through a feeling of appreciation and a better possibility to shape their own perception and truth about a company. But as mentioned earlier, it needs to be considered that the right amount of information needs to be published because it was found that there is a tension between the desire to know and the interest of not knowing too much. Therefore, brands need to guarantee that the information do not make the customer feel inconvenient (Dingwerth & Eichinger, 2010). Former research reveals that labels on products can add value and increase credibility of sustainability claims since a relatively high amount of consumers is engaged in reading labels and perceive the provided information as true (D'Souza, Taghian & Lamb, 2006). This can be underlined by the given information gained in the interviews that customer do not want to actively search for information. This implies that companies need to develop hashtags that are educating and informative for the customer using simple information that can be understood easily. In order to increase the trustworthiness of the given information, it was found that using labels given by NGO's does increase the credibility (Belz & Peattie, 2012). Therefore, it can be a benefit for companies to cooperate with NGOs to show their real commitment. In line with this, it this was found that “too pushy” (Brønn, 2013, p. 83) communication of sustainability leads to more skepticism and decreases trust (Pfänner, 2008). The communication should instead be only “the icing on the cake” (Conrad & Thompson, 2013, p. 85) and the actions should speak for itself. Once more, it can be underlined that the right amount of information and the kind of information is essential to create an appealing and educational communication so that it leads to a more sustainable buying behavior. Otherwise, the skepticism results in an even more unsustainable behavior because the customer gets the feeling of not knowing how to act properly and thus does not know anymore what is right or wrong. In this context, the sustainability manager mentioned the competitors latest commercial, which has been heavily criticized, and accused the Swedish fast fashion brand of green washing due to a controversial communication strategy and images shown in the video commercial. This leads to a frustration of the customer and gives the impression of using sustainability as a marketing strategy instead of fully integrating it to their core business. In general, it seems that it is today one of the major challenges for fashion brands to correctly communicate sustainability, but not in such a pushing way that the customer becomes skeptical. It feels that due to the high amount of information available via social media and
also through word-to-mouth, companies are afraid to tell too much because of the fear of being perceived as not credible. This highlights the importance of the correct communication strategy in order to use sustainable business practices as a competitive advantage and also to solely tell correct information that can be verified. Also, research shows, that it is the customer that decides about the message’s credibility and not the communicator (Pickett-Baker & Ozaki, 2008; Belz & Peattie, 2012). Therefore, it is fundamental that every single action inside and outside the company including the packaging, labeling, design of the product, and the accessibility and availability of information, sends out a message as well. Thus, the consumer forms his own individual image of companies (Belz & Peattie, 2012). In addition, the communication of problems that companies are facing can lead to a higher degree of credibility.

It was found that several stakeholders demand transparency and availability of information and brands have to adapt to “new rules of the game” (Burnett & Hutton, 2007, p. 345). This argument can be mirrored by the opinion of the interviewed experts which stated that transparency can be used as a tool by brands in order to improve trust, gain the full control over their supply chain, and thus a competitive advantage can be achieved. Hereby, it was found that trust plays a highly important role when it comes to communication of business operations, however not explicitly for communicating sustainability. The research conducted by Globescan (2017) supports this assumption by claiming the increasing importance of trust between businesses and society. Consequently, by knowing all steps within the supply chain through increased transparency the company can be sure to communicate only correct information and thus be credible. By this the risk of being accused of green washing decreases. Yet in order to gain a competitive advantage, the information given has to be reliable. Also, it is trustworthy to consumers and companies have better control over standards set by NGO’s. Thus, NGO’s can act as watchdogs and raise attention to issues that need to be improved. Also, the sustainability manager underlines the need for reliable and trustworthy data and states the risk of “putting information out there that is not 100 percent accurate.” The author Orsato (2006) even mentions that companies can gain a first mover advantage and therefore a competitive advantage when working with certificates. However, since customers can get confused due to a high amount of different certificates, brands need to communicate their meaning and benefits to the customer, so that they know what it stands for and that the credibility of each label does not get diluted. Consequently, the need for fewer certificates that are meaningful and trustful for the consumer is obvious. Thus, it might be beneficial if companies solely use one meaningful certificate instead of using a few.

6.2 Analysis of Patagonia’s Case in combination with the Literature

In the previous chapter, the findings deriving from the Patagonia case study were presented. Throughout this phase of the study these findings will be linked to the reviewed literature, in order to demonstrate why Patagonia can be seen as an extreme case within sustainable textiles and fashion industry.
The authors of this paper were able to connect various business habits of Patagonia to the statements of researchers as presented in the literature review. Remarkably, habits on transparency corresponded with results from previous research. Patagonia seems to have embedded sustainability and transparency in its core business values just as suggested by Conrad and Thompson (2013). Lamming (2001) presents supply chain transparency as “the two-way exchange of information and knowledge between customer and supplier” (p.4). The connection can be made to the Footprint Chronicles, Patagonia’s way of showing the customer supply chain activities. Additionally, Patagonia shows that the company is not afraid of sharing sensitive data through the Footprint Chronicles. Since, it communicates all activities carried out whether positive or negative. The equivalent is suggested by Burnett and Hutton (2007) as well as by Conrad and Thompson (2013), since consumers appreciate it when brands show the willingness to change and admit to not being perfect yet. Likewise, the Globescan (2017) report shows that the relation companies have with society should be of increasing importance.

Furthermore, Maclean suggested in 2011 that brands should develop internal transparency, for being able to communicate transparent information externally just as thorough. This internal transparency was previously established by Patagonia in the 90’s to keep communication between employees open, so all can work together towards sustainability within the company. Additionally, to increase transparency within the whole industry of fashion and textiles, Patagonia was one of the founding members of the SAC that created the HIGG Index8. Research proved that brands which work on these subjects demonstrate this work, for instance by having certification labels on their clothes, they can increase consumer interest (Belz & Peattie, 2012).

From an early stage Patagonia understood the importance of leveling their business to a stage where sustainability could be reached. Just as Doppelt (2009) mentions, business practices should be brought back to a certain level so nature is able to sustain itself. To develop and work towards sustainability, van Bommel (2011) suggests that companies need to have innovative and cooperative components. By looking at environmental problems the same way as business problems are regarded, just as Bonifant, Arnold and Long (1995) suggest, Patagonia is deterrent to work out innovative solutions that also provides a positive return or reduced impact. The first and foremost example of this would be the switch to organic cotton in 1996. Patagonia implemented this change after conducting the first LCA as is described in the case of Patagonia. By switching to organic cotton, the brand had to demonstrate its innovative thinking to overcome sustainability hurdles. The decision was made purely to reduce the impact of their business practices, knowing it was not an impossible task. Just as it is claimed by Hart (1995) through the Natural Resource Based View, Patagonia has been able to gain a competitive advantage by choosing resources wisely and steering internal processes towards sustainability, since sales doubled between 2002 and 2010. Ritch and Schröder (2012) confirm that by stating that companies are able to obtain a competitive advantage when implementing sustainability in a holistic way.

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8 Self-assessment tool to measure sustainability performance of a product or company (Sustainable Apparael Coalition, n.d., b)
One of the strategies to market the environmental characteristics of a product suggested by Orsato (2006) is to provide unique, inimitable, sustainable products and not just focusing on offering a low price. When a consumer is willing to pay for sustainable features, and brands like Patagonia give reliable information, a competitive advantage can be gained. However, Patagonia shows to understand through their limited use of staged advertisements, it is the customer and not the sender that decides whether information given is credible or not (Pickett-Baker & Ozaki, 2008; Belz & Peattie, 2012). Besides, Patagonia expresses that the company is rather known from word-of-mouth then from big adverts, since people value a good recommendation from family and friends just as Belz and Peattie (2012) mention. To form sustainability marketing, Belz and Peattie (2012) state the importance of creating a long-term relationship with customers. Patagonia created a blog called “The Cleanest Line” where customers can actively engage in the discussion and deliver a contribution towards sustainability (Patagonia, 2017a). Besides, with the Worn Wear campaign Patagonia helps customers to extend the life of their beloved garment. By offering these programs, Patagonia is able to gather stories of loyal customers, and proceed the relationship with them. This shows that there is true value in building a relationship with the targeted customer, and that the aim is not just on the broad mass. Because of this, relationships become more loyal and meaningful (Kotler, Armstrong & Parment, 2011). According to Conrad and Thompson (2013) this sustainability marketing should become the way forward, but only if it is attractive and engaging and not only informative. To maintain trustworthy, information should be transparent and not be pushed forward, but occur in both directions (Brønn, 2013). As Brønn (2013) states, communication in this way can bring estimated competitive advantages.

All in all, Patagonia seems to understand their key target group by solely focusing on this cluster of people through their marketing. Moreover, since their target group is so specific, the unique sustainable selling proposition is well-defined. On this account, the product can be brought to them at the right place, just when they need it (Belz & Peattie, 2012). By creating a way of communication through multiple communication channels consumers are able to participate dynamically. As a result of this back-and-forth communication, consumers are able to let their voices speak through CSR actions (Brønn, 2013).

6.3 Combination of all findings from the Case Study, Interviews, and secondary data

Already, after combining the case study and interviews with the gathered literature, it could be noticed that connections can be drawn. Within this chapter, by means of triangulation those topics will be linked to each other. Thus, the information stated in the following sub chapter is a summary of all gathered information throughout this research. This method of connecting data allows the researchers to crosscheck the influence of different subjects in relation to why fashion and textile companies should implement transparency and sustainability (Patton, 1999). By choosing Patagonia as an extreme case, a real life example is used to confirm the impact of multiple business habits.
As noticed throughout the case study, Patagonia has embedded the values of being transparent and sustainable into their core business values and applies this holistically throughout all channels and towards all stakeholders. Besides, Patagonia does not give the impression to use sustainability as a marketing strategy by showing its fully integration through the Footprint Chronicles. Rather, sustainability is an integral part of the company’s philosophy and customer trust this feature. By not being afraid of sharing sensitive information, a brand is showing to be vulnerable. Consumers often prefer this over being secretive about negative information. Moreover, research presented that cooperation with NGO’s displays the selflessness of companies in regards to their sustainability efforts. Subsequently, collaboration with non-profit organizations can lead to obtaining sustainability certificates. It is found that consumers are highly interested in seeing these sustainability labels on their clothes, since this information is easily understandable. However, companies only can benefit from using certificates when they are meaningful and trusted by consumers. In many cases, the consumer is unable to process the complicated information brands send out, so he or she tends to trust brands that are already known. Thus, consumers prefer information that they don’t have to actively search for. They value information that is easy to access and simple to understand. Moreover, the sustainability message is only demanded when the buying decision is made. Therefore, it should only be provided before the point of sales, both on- and offline. The perfect amount of information is the quantity that fits on a hangtag. This came forward during conducted interviews and researched literature. The challenge for brands is that this information should be educational and informative just as it should be easily understandable.

Subsequently, the creating of long-term relationships seems of increasing importance for customers. More and more, they seem to enjoy to engage in discussing business practices and to share their personal opinion. Providing a platform that allows this back-and-forth communication between brand and customer gives them the feeling of being a part of the company, which strengthens the relationship and activates the shopper to engage in CSR actions. Besides, through displaying stories and material concerning sustainability on multiple channels it becomes easier to trust the provided information.

In order to send the right instructions based on sustainability, brands have to understand that it is the customer who judges the information. The customer also decides whether this information is credible or not. For being able to communicate the exact information the reader is asking for, the focus should lie on communicating only what the core customer is asking for. By aiming to communicate to the broad mass, it is a challenge to find the most suitable strategy, which could cause the message to get lost in translation. By focusing solely on the specific target group and its educational level, the message can be tailored to the unique selling propositions this kind of consumer is asking for. Besides, by putting this group in focus, the information will likely be perceived as more valuable, authentic and trustworthy, which results in a competitive advantage. Moreover, a competitive advantage can be achieved by choosing resources wisely, based on a sustainable mindset. By gaining control over the production of products that are unique, inimitable and sustainable, the attained transparency can be used as a tool to improve customers’, who are willing to pay for sustainable features, trust.
## 7 Conclusion, future research, and limitations

*In this chapter, the authors present the conclusions drawn based on the analysis and findings throughout the conducted research in order to answer the research questions and related sub questions. Moreover, the authors give advice for future research and also state clearly the limitations that have been faced throughout the research process.*

### 7.1 Conclusion

The research question posed in the beginning deals with the topic, whether textile and fashion companies can achieve a competitive advantage by communicating their supply chain activities in a transparent way. Hereby, it was found that transparency could serve as a tool by companies to increase trust towards customers that are willing to spend money on sustainable products. Most important to keep in mind for business is that consumers are the ones judging about the credibility based on the provided information. Also, transparency provides companies with the certainty to know exactly what is done throughout their supply chain and thus it can be communicated to the customer. However, it was also found that sustainability needs to be embedded in the core values of the business to be able to use transparency as a tool. Moreover, a holistic approach based on a sustainable mindset, for instance by choosing resources wisely, enables the customer’s trust into the brands sustainability promises. In line with that goes the first sub question that focuses on how companies can increase trustworthiness and credibility by being transparent about their environmental actions throughout the supply chain. Basically, sustainability should not be used just as a marketing strategy. It is rather important that the brand’s business practices mirror the brand’s values and that sustainability is seen as a mandatory component. Further, by cooperating with trusted non-profit organizations, that can act as watchdogs and attest sustainability by handing out certificates, companies can show their selflessness. Nowadays, it seems that companies are afraid of sharing negative information but during the research it was found that exactly those information increase trust and make consumers think twice before making the next purchase. This leads to the second sub question on how companies can communicate sustainable supply chain practices transparently in order to achieve a competitive advantage. This question was answered by analyzing the company Patagonia. Herewith, the research proved, that consumers are unable to process complicated information and thus the information has to be easy and simple without the need for the customer to actively search for it. Thereupon, the information given to the customer needs to be placed at the point of sales, both online and offline as for instance on hangtags or directly underneath the product description in the online shop. In order to be able as a company to communicate in an educating and attractive way, companies need to focus on the core customer to avoid misunderstandings. Besides, integrating the customer by providing a platform to have back-and-forth information, as Patagonia does, represents a tool for successful communication and strengthens the customer-brand relationship. Thus, the message can be tailored around that target group and its educational level. By this the message becomes more valuable, authentic, and trustworthy. By implementing all steps mentioned in the brands communication strategies
a competitive advantage can be achieved. However, it seems that Patagonia shaped its core values from the beginning around a sustainable approach. This approach makes it easier to be perceived as truly committed towards the environment. Additionally, it becomes harder for fast fashion brands to reshape their image to a truly sustainable one.

Patagonia represents a truly good example for how to embed sustainability successfully into business operations and how to communicate this in a credible manner in the next step. But it was found that the majority of the customers buying Patagonia clothes are well off financially and already highly educated. This makes it easier for Patagonia to communicate because their core customer is more interested in sustainability issues and therefore easier to further educate due to a higher level of knowledge. It can be assumed that the uneducated customer mostly purchases garments from fast fashion brands and that he might be less educated and thus more skeptical towards the concept of sustainability due to a lack of knowledge. It also might be that for the typical core customer of Patagonia the importance of showing his or her identity through clothes is not the most important feature, whereas this might be the case for regular fashion customers. The footprint chronicles also require a basic knowledge and interest from the customer side. Besides, Patagonia was founded for the purpose not to harm the environment, which makes it easier to be trustworthy instead of changing the business model to a more sustainable one because the customer requires this.

### 7.2 Future research and limitations

Within the current research, limitations to the study can be associated with the time available to execute the research. Considering this restriction, only a limited number of interviews have been carried out. Due to the time limit, it was impossible to schedule an interview with an employee of Patagonia. It was possible to form a conclusion without their view on the topic, but it might have been a beneficial addition. By conducting more interviews in a future research, the generalizability could possibly increase. Moreover, only a single case has been studied. This brought great insight in an extreme example, but resulted in a low generalizability.

Additionally, in favor of future research it is recommended to conduct a deductive study to test the theory that has been formed within the current study. A quantitative approach could add an extra dimension to the results, and bring an overall holistic view. By adding a questionnaire into the method of data collection, the opinions of consumers on the communication of transparency and sustainability can be explored. Hereby, found answers in this study could further be confirmed.

Moreover, the information found, with regard to the company Patagonia, were mostly positive and the authors could only find a few sources that named one critique next to several positive aspects. This explains the positive introduction of the company and justifies and underlines the decision of investigating the company Patagonia. Further, it highlights their credible and successful integration of sustainability into the core of their business in combination with their communication strategy.
References


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9 Appendix

9.1 Interview scheme

Thank you for taking part in our research, we appreciate that you took the time to be interviewed. Currently we are researching the role of communication in creating a competitive advantage, based on a transparent business model. Our aim is to find out why textile and fashion companies achieve a competitive advantage when they are transparent and communicate their environmental actions. This interview will be more of a discussion based on the topics; transparency, communicating sustainability, competitive advantage and the consumer demand for sustainability. The interview will take up to 30 minutes, and it will be recorded if you agree to this. Please ask when something is not clear, and feel free to add anything that comes to mind.

1. To what extend do you believe the customer asks for transparent information? Is it not just a trend?
2. What is the added value for the brand of being transparent towards the customer?
3. What makes the information companies give trustworthy and credible, and perceived as the truth?
4. What information should brands communicate in order to get the consumer to choose sustainable over conventional fashion?
5. How would you recommend for brands to communicate transparency and sustainability, to achieve a first mover or competitive advantage?

Thank you again for taking part in this interview. We have got all the information you need from you. Do you have anything to add, or anything you would like to ask? If not, we will now stop the recording of this conversation.
9.2 Interview Jonas Larsson

Interviewer, Loes: 1
Interviewer, Anna: 2
Interviewee, Jonas Larsson: 3

Interview was conducted on Thursday 20th of April, 13:00.

1: Jonas, thank you so much for taking part in our interview. Is it okay to mention your name or do you want to stay anonymous?
3: No of course, you can mention my name.
1: Okay, then we will continue to record this interview, do you have any questions before I start?
3: No, no, I will just get the book for you that I know!
1: Oh yeah! Okay, perfect
3: Just to have some extra information.
1: Yeah because I also saw that you wrote an interesting paper on the consumer's view on mass customization?
3: Yes!
1: But that is ah,
3: That is something different, but ah, there is a chapter in here that we can copy later
1: Okay! Ahm, yes because the first question I would like to start with is eh: why do you believe the customer is asking for more transparency, for example with your project on mass customization, why do you think the consumer is really interested in seeing the steps of the process?
3: Ehm, it's a good question, eh, I don't know why they enjoy it. But they, they, enjoy to be a part of the production process. They, like to feel that they are a part of the production process. And eh, I think it has to know, it has to do with human curiosity, and you want to know about the stuff that you buy, and it feels better.
1: Okay, and do you think it's a trend?
3: Yeah it is a trend! It's in ah, there is this eh WGSN, report, that was released I think two years ago. So it should be relevant for today, it is, they have identified sort of a, eh, I don't remember if it is a micro trend or a macro trend. But it is a trend anyway that is called "thingness"
1: Aha, okay
3: And eh it is, relates to people's wish to be able to relate a product to a certain place. So there, there is a trend.
1: Okay, so people want to know where things come from..
3: Yeah..
1: Okay, and, why do you think brands can achieve a competitive advantage when they become, well more transparent and incorporate the consumer in the process?
3: Ehm, I, I think that has to do with trust. But ehm, if you incorporate the consumer, then they, the consumer, feels like the brands trust them and eh, vice versa, but the psychological processes behind that I don't know. But I think that is the reason why. And and also that you
feel connected to the brand! And you feel connected to the community that a brand represents! I guess..

1: and did you notice that in the roll to bag project?
3: oh no we didn't come so far within that project! We only, we, mostly elaborate around the technologies.
1: Ahaa, but you have been to stockholm with it right? Together with Joel Peterson?
3: yeah yeah! But that was the knit on demand project!
1: Oh yeah that is the one I meant, sorry haha.
3: Haha nevermind! And in that project yes, it was obvious that the customer enjoyed ehm, ehm, the whole design process. And they of course they do, because of, the average amount of time they spent in the store, while buying a garment, was 20 minutes. And eh, the people who work in the store are very knowledgeable with what they do. And so, the customers, i guess, felt connected to them, and felt this, community around the store.
1: hm hm, and do you also think there is a more building of trust when the consumer can eh, talk in a different way to the people in the store?
3: Yeah I think so! Especially since the people in the store knew what eh, the customers have in their wardrobe already and can make suggestions, according to what they, the customer, have.
1: Okay! That is really interesting! Ehm, the second question, what makes the information companies give trustworthy? Like how can they, make sure that, the consumer trusts them?
3: Yeah good question, we can have a look at the book, ehm, so, to start with, if we look here <Shows Picture> these are, contribution of drivers to overall ??? In scandinavian countries. And this is 2012 so its rather recent. And then you see here that, eh, ehm, let's see, product quality, is the highest contribution, second one is eh governance,which is transparency. Yeah, and then it is citizenship, and then comes performance, leadership, innovations, and so but that eh. And then the total CSR rate is very high. Even higher than the product of service, ehm, if if it’s, the right way to just add the ratings I don’t know. Ehm but ehm, here you see the points are individual but here they put point together so you should take a look into that… maybe, ah nevermind, it is interesting anyway.
1: Okay, yes very interesting to see these results, I can imagine it.
3: But people in scandinavian countries do think, they like transparency, yeah.
1: yeah it’s funny, to see people in the nordic countries are more prone to transparent things than in other countries… yeah, so yeah this was what makes information trustworthy.
3:yeah ehm that is, i mean, eh, information in itself is not trustworthy. I think it’s very much depending on the sender. So, and ehm, in this, here, i will give you this, but in here they say that: if a company works together with a non profit organisation, then, people and customers trust it more.
1: Yeah, so just so to know they when they are working together as a company with a NGO, they become maybe less selfless.
3: yeah and i think that, it is because, well it is very specific, you can’t do it with any organisation, i think it needs to be one of those charities that a bit approved and known. For example the red cross or the salvation army, and eh, unicef or, it has to be these ones. And it says here, that that is good for a brand reputation.
1: hm interesting, and.. Because we went to the conference of transparency, I don’t know if you were there as well?
3: yeah I was there!
1: Okay because we thought it was interesting to hear from H&M, that they thought they did a good job by putting out information, but that the consumer is sometimes not willing to accept the information.. But yeah, maybe they should more communicate about other things..?
3: yeah, this is a bit eh, this here, what we talk about now, it's a bit, nobody really knows how to do it.
1: True, everybody seems to guess and just trying to see what works.
3: yeah, its a problem and the EU will eh, release a product transparency framework in 2020/2021. And eh, from, then, we are going to see if people actually trust that haha. Whether that can be trusted has to do a lot with the work that is going on now. With how well they can establish product performance, and product footprint. Its very difficult because the data that is needed, to be reliable and have reliable data, is not accessible, exactly. You need proprietary data from the factors, and not everybody is willing to give that. Eh, so, this is problem.
1: yes and also if you say that this framework will be available in just 3 years, there is still a gap for brands.
3: it is! And…
1: brands need something to guide them
3: yes and i think there, it takes time, one critique that is coming up around the higg index is that nobody is using it. They are at least not showing it! But there is a plan behind it, because if they start communicating it, then it will be used in the wrong way. So it has to be, you know, almost proven to be correct before they start using it. And then, it has to be trusted from day one, this Higg index. It cannot be, watered out.
1: yes, otherwise it will be “just another” label
3: yeah, and then whether the Higg feeds into the new EU framework, or that becomes an own framework is to be seen. But eh, because EU are driving this, eh, eu product environmental footprint, Eupef. HAve a look at it! It’s a transparency tool.. Ehm, and it will. Higg index will be feeding into this. So have a look at it :)
1: yes we definitely will! Sounds interesting and I have never heard of it before. Product, environmental footprint, we are writing it down! Eh, so, ehm, what kind of information should brands communicate to make consumers choose sustainable over conventional? What do you think is the most important, should they for example, tell about the water used, the chemicals, how can you communicate it in a way that a consumer can relate to it? With for example the higg index?
3: well yeah I think hm, it is also very difficult because it has to do with the brand. What they are already communicating around their conventional things, but, eh, and… so i dont know, how to communicate, i don't know which way is best so to say.
1: but personally, what would you think?
3: i think, that it was very interesting when Anna-Karin from lindex was here, they talk about ways to communicate it. Essentially you have 3 ways to communicate it. And it's: a common trusted platform such as the nordic swan, or an EU flower, Eco whatever. That is developed by a trusted organisation and collaborate with that. That is one way. Very quick information.
The second, sort of way is, to do it in a full transparency way like Honest By for example. Then of course there are different levels,
1: yes in between you have levels.
3: yeah, but these are the general, ideas. And then, the third one is communicating for change in consumer behaviour. That you help the customer, by offering them, instruction videos like Patagonia does. On how to repair garments, i think Ifixedit.com is the website. The homepage where you find videos and you can buy repair kits. So that, these are the essential directions in which you can go. So i think that those are.. Yeah, i don't know which one is better.
1: Yeah that would depend on the brand and what their aim is off course.. But we are actually gonna do a case study on Patagonia. To have them as a best practice case in the, in the, in the textile field. Do you know if they are also working as a partner on the Higg index?
3: yeah, yeah they were actually one of the founding members.
1: aha, hmm, interesting! Ehm, so,
3: So they are quite involved
1: Yes, yeah we want to see if, what, they do, their way of communicating, since they are so open and transparent. If those ways, are maybe applicable to other brands. To see if how they communicate, if that is a way the consumer likes to hear it. Yeah, so, i think we had most of our questions, anna do you want to add anything?
2: eh yeah i had one question, do you think it is possible for fast fashion companies to or like bigger companies to be fully transparent? Not like right now, but in the direct future?
3: yeah yeah definitely!! I think some are very transparent already, i don't know if they can go for full transparency, but for example H&M has all their supplier list available. If you want to download it you can just do that. But their problem is mainly trust. Ehm, i mean you have seen, maybe, the, videos, that different fashion companies have made? H&M started to do this music video with M.I.A.,
1: yes i have seen it! Gina tricot is now doing it as well!
3: they are all bashed for that now
1: yes, kind of a music video.,
3: super corny, very tone deaf, they were, they have been hammered for that
1: really? Okay..
3: and then it was Pepsi, they did their thing, their message was on social injustice with Kendall Jenner
1: yes that was kind of a scandal as well..
3: and then the latest one I saw was bianco footwear. They made a video with a song, where women were dancing, and the message was that women should not only have the same wages, but higher. And why? Because women need to buy more shoes, dresses handbags and makeup. So women need more salary, and then, yeah..
1: To buy things they don't need..
3: well yeah, to look better for the men kind of. And then then, it was, very blunt. But i think, when a fast fashion company tries to do a thing like that, then it, it immediately backfires because it is so insincere.
1: yeah, true, there is quite a big risk actually, what they are taking, to do something like that and it is not perceived as true.
2: yes jonas, that is what you said before, it is not the information, it is the brand that communicates. Which stands behind it, so.
1: What was the name again of the brand?
3: bianco footwear it is called. And then, this is also interesting, to how, different brands.. Well, not many years brands were, they just said “ we want to be sustainable, we are sustainable”. That is what they want. Now it has changed in a way that brands try to do, to take their part of sustainability. Brands want to be sustainable in their own way. So lindex, they want to be the one that works with redesign now. So we have a project we are doing, and another one. So they want to be the one who does that. Then there is the company that wants to be the social responsible one, then there is the one that wants to be the water saving one. Everybody is trying to find their niche within sustainability. And that is something quite new!
1: Aha, yeah..
3: that is, and eh, that is going to be interesting to see what is going to happen there. Because, up until now, companies have been working very well together on these issues. So everybody has been trying to save water together, to save energy together, and create positive social acts together. But now there becomes more of competition around this.
1: Aha, to see who is the best on being sustainable..
3: Yes, we will see what happens a little bit around here..i think it going to be a common effort anyway, but yeah. There is going to be a little bit more competition. We have for example in the Re:textile project, we have two companies that want to do the same thing. So its is going to be interesting to see how that works out. Because they want to, it is import to remember, these efforts are much payed by the marketing departments. So they want to do it, to think about circularity. But they also want to gain credit, for ti.
1: yes probably otherwise they see no reason in doing it. Yeah, well it could be very interesting if brands start to compete on who is the most sustainable!
3: yes that would be great! Haha that is what we could aim for.
1: okay but very interesting, we could look more into the risk of that. And brands looking for their niche.. Anna do you have anything to add?
2: no not really..
1: Jonas, do you have anything to add?
3:No, but let’s go and copy this book because i think it is really interesting for you.
1: Okay thank you so much for this interview!
9.3 Interview Simonetta Carbonaro

Interviewer, Anna : 1
Interviewer, Loes : 2
Interviewee, Simonetta Carbonaro: 3

Interview was conducted on Tuesday 2nd of May, 13:00.

1: To what extend do you believe the customer asks for transparent information? Is it not just a trend?
3: Mmmh, ok. This is a very important question. I agree that you put it as a first one. Because actually we think that our market is consumer driven more and more than ever. So, the reason why at least in Europe, we are talking about Europe that the government of some countries like France, you know the European Brussel machinery is moving is exactly was based on the fact that they understood that there was an increasing interest among consumers and among the companies to get into the sustainability transparency legislative journey. Because on one side they had the evidence that customers were saying we don't buy at the end sustainability driven offer because we are confused. They are too many labels, too there is a lot of greenwashing and we don't have the certainty when we buy something that even pretends to be sustainable that it is sustainable. We need information. We need traceable and comparability and something that can orientate us during our purchasing process in a very simple way. On the other side, they had also that the many business leaders saying you know if we want to go for sustainability we want to be you know to be citizens in that sense the sustainability goals so that the nation. So, the nation asks even to themselves we need a every company every participant of the industry do so because otherwise there will be a disadvantage for some compared to the others. Ok, that was the beginning of the discourse. The need from both side, the consumer and the business, the industry to have some clear, simple, comparable and traceable information in terms of sustainability content of what we buy of what we produce.
3: Yeah.
1: Now, the discourse is different now it got to a second stage I think, which is that of companies starting to understand that actually that is a competitive advantage you know in terms of communication of what they are seriously doing. It is you know, it is a blazer with two side, it can be the good side what you welcome it can be the other side that is instead creating some wound in the social issue and in the business issue you are not actually using it. Because on one side, today you know greenwashing is a problem for businesses and for consumers of course but especially at the moment for businesses. Because the dimension the amount of NGO’s that are surveying that issue has increased so much in the last few years that doing just green washing is not possible anymore. So, one has to be honest, one has to be the truth, and that is something that is changing the whole of the game so the companies that
can be transparent in spite of the lack of legislation that we have at the moment that we know is going to come but at the moment we don't have. This gap is enabling companies that are
able to give possible transparency to give a competitive advantage compared to ones that are not able to give that transparency yet or that can not give it or know they just have green washed and their marketing and communication without any consistency.

1: That's really interesting. I have read about consistency that it’s most important, when it comes to communicating because otherwise it's confusing and the customer perceives it as green washing. Yeah.

3: Yeah. Exactly, exactly. So, for that consistency I am luckily so in terms of also industry standards in terms of norms and that will make represent governments of the industry we still have to wait. We are not as far as we would like too. I mean at least you know until the 2020 we will not see anything goes in terms of yeah we will start seeing recommendations from the EU and from single stage you know France is really at the front, in the pole position among all the countries in Europe. But at the moment we are in a limbo so to say we are still waiting for laws and legislation to happen and but this is the good news there are companies that are starting independent with and that as you know for sure because you were at the conference because that coalition that are moving in that direction. And one of them is the sustainable apparel coalition. I mean they are not waiting for the legislation to come out. They are already giving to their members possibility, actually the duty of starting going transparent in the next years so that's good news.

1: Yeah, that's true. I think we can go to the next second question, which is “What is the added value for the brand of being transparent towards the customer?”

3: I think that this is based haha on all the marketing assumption that in our saturated markets just sell the added value because in the end of the day we don't need anything so what we can just sell is the added value of something in material that we put on top of all. I think that this is all the kind old fashion marketing. More than ever and you can see by reading the last books of Kotler, Philip Kotler that was the one, who invented the motion of added value and marketing as a model. The purpose of marketing as usual is you know it's there is pointing out the necessity to go for values and not just for added values, ok. And the expectation from the consumer side also that is growing only not only in our western countries. Actually the good news is that the aspiration towards the company's, brands that are delivering something that makes sense also in terms of sustainability is also growing dramatically in Asian countries where they have the problem you have tackle with problems on the everyday level when in the morning they open the window, and every morning they take the bicycle and go to work. They cannot breathe and they cannot drink the water in their homes. I mean the good news is that there is a dramatic rise of awareness and readiness to buy the sustainability promise, the sustainability value more than ever. And even more in Asian than in western countries, where the dissolution and the lack of future you know that we are suffering of a kind of creating a carpe diem kind of attitude and who cares if we are going to die let's just enjoy until the moment will come. So, there is something that will probably come the push from the Asian countries more than from the western countries in going into that direction. Plus, you know it is true that one of the main consumers group that by globus scan had been and effected recently in one of their last studies global studies talks about the main global group as aspirational. Are you familiar with it? Have you ever heard of globe scan?

1&2: Ahh, no.

3: Ok, so check it out Google it, Global Scan and their last survey about the aspirational, ok.
1&2: Ok, ahh.
3: The biggest global consumer group grupper 40 percent we are talking about 40 percent of
the global consumers. And if you google it if you check it out you will see that the
aspirational is a very interesting mixture of consumerism and the people in western and Asian
and southern south of the world countries that want to consume. But they want to consume
not for the sake of possession but for the sake of having a better life. And this is very much
instinct into the sustainability discourse but on a very pragmatically level and on a level that
can influence our everyday lives. So check out that research I would suggest you because in
that very big yeah I don't even want to call it target because target is also a very old fashioned
marketing used word. In that social group, social cultural group, global group there are so
many interesting points so that a really in a way putting the paradox of ? We want everything
but everything should make sense and if it's making sense the sustainability issue is very high
in the agenda. So, that means coming back to your question that it is not for companies just
one of the next fad in term of adding value to our offer. It is intrinsic, it is something very
deeper into what is the expectation what is sense and what is the aspiration which are not just
the Millennials. The good thing about aspiration it is also it goes through geographic
distinction, through cultural distinction, and through also economic distinction this is a very
beautiful, transversal, social, cultural global group ok. So, when it becomes so big you know
then it is not an added value anymore. Sustainability becomes part of the intrinsic value of
what you are delivering.
1: Yeah.
3: To the many and not just to the few.
2: Yeah, sounds interesting. On their website looks interesting as well from the Globe Scan.
We will look into that.
1: Yeah, definitely. So, the next question is more about communication “What makes the
information companies give trustworthy and credible, and perceived as the truth?”
3: Ok, first of all it has to be the sustainability commitment, commitment not journey,
commitment. Should be embedded into the deep goal so that companies tell to all of us that
they are going towards. I mean it is clear for also people that you cannot change overnight
business models or whatever you know the control of your supply chain. But it is true is one
is expecting companies to give a date. I mean the difference now a very deep quotation “The
difference between a dream and a goal is a date” and this is Walt Disney, ok? Very academic
quotation. So, that's the point I mean the first thing that companies whatever size, whatever
kind they have to do in order to be credible is to put a date in their direction going towards
sustainability. If they put a date that means ok in one years, two years or ten years whatever
you tell us we will be able to come and check it out. This is going to be credible for NGO’s
this is credible for consumers, which are lead at the moment by what the big and many
NGO’s are telling us. The second aspect I think is that it is not only about something that you
can measure and therefore put very seriously into your commitment and into your brand and
business direction is also about an asset. It has to do something with cultural discourse it has
also to do with something that makes the brand deliverable because it is really part of its
company culture and conceives that in terms of what does that mean also and not only on the
supply chain level but also on brand level you know what are you doing yourself at home in
terms of sustainability. Then of course the third dimension is the fact that you know at the end
of the day is this has not to be put us in the past into apparel sustainability collection, conscious collection and something that goes on that binary dimension as business as usual goes on as always and on the other side they do some bonbon here and there where they pretend to be sustainable because this is also not credible anymore. I mean either you put it into your goal into the core of your business and you start to move your whole offer into that direction and not only a couple of conscious collection, the capsule collection or parallel you also put into the premium offer positioning is not ok. And here we come to the transparency level that you learn from Bruno now being so important and so difficult to be digested you know for all the garments by companies. It comes also to the true cost to the transparency of what is the true cost of what we are doing and this is the ultimate stage until you know companies will not go the last level, which is the one you know of giving the transparency of the true cost of what we are buying. Just you know just 50 percent of the road that we have to do. At the end we will have you know that one of the target is that of becoming also transparent in terms of the true cost that we are generating and these is very important for companies from a strategic point of view, operational point of view. Because most of the companies don't have the control of the true cost of what they are doing. By having the control of the true cost you can really understand where you can decide take decisions that bring the most sustainable offer for the true and at that point also the true cost to your consumers because you have managed the cost of the whole value chain creation, ok. So, this is a fantastic instrument transparency for in terms of management of the company.

1&3: Yeah, yeah. That’s true.

1: Definitely. The next question is “What information should brands communicate in order to get the consumer to choose sustainable over conventional fashion?”

2: Yeah, so for example are people more interested in knowing how much something has costs or how much chemicals are being used or just what information can make the consumer make sustainable choices?

3: This is a very good question because we don't have any answer, haha

1&2: Hahaha.

3: Because, until we have not gone into the. I mean what we genetically know people want simple communication. At the top of the pyramid, at the top of the iceberg they want to have a very clear and simple communication that is telling them in a few seconds because you know that online we have only three seconds time to give that kind of information to the people. So, the very top of the iceberg should be the convergence of what is the brand, the company state of art in terms of social and environmental. So, the two dimension I think, I belong to the school you know, I guess two very simple indication that is ok I am not confused about knowing the convergence of the Index that you can prove that you can maybe give to me but to the NGO’s that has the duty of controlling being our watch dogs. In terms of environmental situations take too far and the social one and I want to have both. And I don't want them to converge in one single Index of waiting. I want two information, very clear. One is for the environmental state of art of the company or product because of course we know that people want the product this is a very important thing. The end of the travel for the mission, which I prefer it to name it as our mission is that you know people ask us they all are agreeing on the fact that they want to have it on the product level not on the brand level or on the facilities level you know. They want to have at the end a tag on what they are buying is that in a brick
and mortar shop or they are buying in the internet. They want to have a very important and simple, information about what is the rating in terms of environmental impact what is the weighting in terms of social responsibility, ok. Very simple thing. Then, it is true that this is not enough maybe there are consumers that want to know more. And then you have really a company to create this hierarchy of communication that goes deeper and deeper and deeper. And then on top of it, all around that you have to create your own. It's not about storytelling it's about history telling. History making, ok. What is what you are doing in terms of the new history that you are creating by going in the direction of sustainability. We are making history here. It is not just something that we are doing and it's not a nice thing to have it is a must have. And therefore, we are making history. So, on that level, every brand, every company has to create its own narrative. This is a very important point. Because, when we are talking about narrative. Then we are talking about culture. Then we are talking about something that is really also putting in question not only our lifestyle but also but also even more importantly our style of solds, ok? And this is a very important communication. So, I would say there is one hygenic dimension that was the one I was telling you before. This is something that has to be measureable, possible, comparable and giving very factual based information about where we are you know in that direction that we have committed ourselves to go. But parallel, what brands, what companies really keep generating, regenerating is narrative of how our live is going to change our way of thinking is going to change our model of what is fashion and what is a better life of that true fashion I can buy into. This is even more important. And of course since we are talking about fashion and the most important thing in the room is beauty. And beauty not cosmetics you know. Not everything is different in the end everything is more than the same. Is not more of the same is about also the commitment to create new aesthetics that is linked to the ethics of a new model of the future, and a new model of happiness, and a new model what is desirable and what enjoyable and what is contributing in creating in giving me the tool the individual tool to create and to support my own identity and building at the same time connecting me whole. Giving me the support to be myself I construction at the same time this is construction is embedded into the sense of Wholeness. So, as Pieters was saying ah what is the augmented pleasure of dressing what is beautiful clothes if and when that they are? and you don't need to feel guilty for having had the urge of going and buying something new before you already knew your Wardrobe. This is the most important thing the cultural dimension. I generally do all your duty and be part of the movement also among the businesses that are seriously going in the right direction in the most holistically way. But then you need the commitment to create a new culture.

1: Yeah, yeah, that’s true. We were thinking if it’s maybe also helpful if brands are communicating things that are not going well right now so…

3: Absolutely, absolutely. No, no, no in the study that I have just mentioned you will see that there is one of the needs of aspirations is about this level of transparency that tells what we as human and as a company should become more similar than ever to human rather than to a machine. That we haven't achieved that we have not cracked the code yet. That we have done as a mistake and we are apologizing and we fix the problem. So, there is a high credibility for companies that have been able and bold, and gracious enough to do exactly what you were saying. Patagonia was the first one in that sense that was telling what was good and what was bad about actually the products that they are putting on the market. So, by saying what is
good? What is bad? What do we think? What do you think? Open the conversation. That’s very important, the conversation is the most important tool that enables to involve people more into the value chain creation that the sustainability mission means like to breathe otherwise it's just a monologue and I said it has to be – not even a dialogue- but a real conversation. So, sustainability is not a science. This is another statement of mine. It is a movement. It is a big movement that we thanks also to science we are keep on monitoring and keep on adjusting and keep on making it as perfect enough as we can. But we know that it is a target that is keep on moving. The most we get closer to it, the most we will know about it, and the most has to postpone it, you know the hundred percent of sustainability is not existing. But that does not mean that we put ourselves on the way towards sustainability that is on the driving force that is pushing us to never stop learning and keep on to have a very open and friendly and honest and tools based on conversation with customers and people that want to be part of it apart from the mistakes we still do. But on this precondition that we have read that we are able and open to shake this is a mistake. This is not sustainable. But we think that meanwhile until we have not found something better we have to go for. The best example that I can make in that sense is that big issue about GoreTex. GoreTex is toxic and the whole toxic campaign is shooting against all brands that are using it. Because, it is a chemically example, ok. But, during the last, no not during the last during the conference we did in 2014, about transparency at the design of prosperity. If you go to Design of Prosperity.com and then go to the data of 2014 and you listen to the last discussion open to the public that we had. There was some colleagues of you or some students that were putting this question to Patagonia. You are so sustainable, but you still use chemical or product as GoreTex on some of your jackets. And they answered very honest. The answer was: ”we do it because in the trade off between producing a jacket, a mountain jacket that really is the one that is not just sportswear for people in California running on the beach. But, instead for real sport people that go on Mount Everest. We haven’t found yet in terms of performance something that is really substituting GoreTex,. What do we want to do? To put the risk on the lives for sport people that are really real sports people and go really in extreme situation in, which water gets into the jacket they die. Or do we want to until we don’t have any solution you not put in on our jacket, the special one, the real technical one for sports people. So what they decided to do is to keep on using it but of course ask and try to convince GoreTex to also join the ?. So that means mitigating the level of GoreTex and that they invest in their R&D to finally hopefully find an alternative to it that is not so harmful to the environment. And this is again what we were saying before what really is the narrative of the brand by saying to their people do not buy this jacket if you don't really need it. Do not buy. Do not buy these jacket buy the other ones in, which we have found so many other alternatives that are good enough for just staying dry in a normal condition. But, if you are a sport person than this is the jacket but for all the others please do not buy it, ok? So, this is the narrative that we were referring before. Changing how people think not only how people style, wants to stylishly dress themselves, ok.

1: Yeah, really interesting thoughts. Because we are also using Patagonia as a case study because we feel they are really outstanding in their communication when it comes to transparency and sustainability. So, that’s really interesting.
3: Yes. Let me tell you because we worked for Patagonia for a couple of years recently. Let me tell you that very important shift that Patagonia did and that is seriously also with a lot of effort going in that direction. So, a new point that they were making this in our mission we have the famous double negation “we don’t want to do unnecessary harm to things. No unnecessary. This double negation was the one that we were discussing with them for a couple of years. And as a weak point of today’s Patagonia mission because that is not enough. It is not enough that was good you know in the times in the thirties when we had the possibility to really by mitigating our harmfulness to get to keep the balance. Balance meant in on our planet. But, we they did not do it at that time only few companies like Patagonia were doing it. But now there is another important task that is doing good. Bringing the positive impact on parallel. On one side, you mitigate your harmfulness and on the other side you have to regenerate the planet to bring a goal for the initiative that bring a positive impact to the planet and to the people that are working in the supply chain of course. So, the doing good, the not being happy and content about doing less harm or no unnecessary harm is something that goes even beyond Patagonia today. And this is exactly the next point a very important point in which companies must take commitment towards. It’s not just the mitigation it is also about the regeneration of our planet.

1: Yeah, that’s true. Yeah.

2: Yeah.

1: Ok, So, the last question is “How would you recommend for brands to communicate transparency and sustainability, to achieve a first mover or competitive advantage?

3: So, the first two moves. One is the, the simple level, minimum level of hygienic transparency is to make sure to have the full control of their all supply chain. The full control and to get responsible for all of it. That means not only stay on the tier 1 level but also go to the depth of the whole tiers that are beyond and underneath. Tier 1, tier 2, tier 3 and also the tier that is concerning not only the use of chemicals but the production of chemicals because that is out of control. The big chemical companies of our western countries, sorry the German one is the leaders in that have disinvested in the production of chemicals for the apparel industry and textile industry. Of course that is clear to understand why because they produce one kilogram of the chemical that is the principal ingredient for aspirin. They have a fantastic, huge margins if they produce a tonne of the dye that is making black our garments the margin is not existing. So, they license all what they all know is the production possibility to the south of the world and that is out of control. What is the production of chemicals is happening today in the world is a catastrophe. So, that means first thing very hygienically, very fact based is go to the depth of all your supply chain as much as possible. Put again lead the flag in terms of your own direction. Then you want to have the full control of your supply chain. Why you are doing that - to make it transparent. Put it in your website, put in on somewhere the NGO’s can go and control your suppliers by controlling and seeing if your suppliers are really doing what they check put in their check list compliances or they are not doing it, ok? So, NGO’s are the best alliance if you put everything into their hands. This is a first commitment and it’s a very tough one but it’s very important for the reason that we have said before because if you have the control of the depth of your value chain creation and of your supply chain you also understand all things in the process, all the steps. The middlemen also that you can take in order to make your supply chain as short as possible and therefore as
affordable as possible. For you and therefore for your customers and parallel at the same time you have to open your narrative and your cultural messages to the people you are serving with what you are producing. And changing people's mind and understanding that the real, ultimate sustainability messages that of course consuming less but of the best. This is my school then you can also go for the what I think of is still a fata morgana of making fast fashion become sustainable through infinite recycling processes or there is an NGO that made calculation about what it means for H&M about their honourably intent of closing the loop process that they started a four years ago by taking back all the garments that people brought to their shops worldwide. With the intent of recycle everything but since we do not have the technology. The technology is not yet it will take something like if I remember well it was calculated the 300 years to recycle what they collected. So, I mean, fast fashion in terms of full recyclability and closing the loop is good intent but is a goal that is far away. What we should to instead right away is something else which is giving longevity to what we produce and longevity means in the fashion business that is so be beautiful that it will never goes out of fashion.

1: yes that's true.

3: That it becomes something that you want to keep in your wardrobe a beautiful painting that you will keep on your wall of your flat wherever you move and you bring with you wherever you move because it’s such a beautiful painting. But in the same way if you go for an artistic approach of fashion back to the times in which it was ? where it was sticking out to something that was really related to us not just to fashion as usual also what I would suggest companies to do. Raise the bar of your aesthetics, raise the bar of your cultural message become relevant and meaningful in the intrinsic value of the aesthetics what you are doing.

2: Yeah, makes sense.

1: Yeah.

2: Really interesting insights.

1: Thanks a lot it was really, really interesting to listen to you. And think we learned a lot.

2: Yeah, and also new things because after reading so much…

3. I am happy if I was able to give you some help and good luck with your master thesis. I hope, I am sure you will have a lot of success with your thesis but also a big success in your life after the school.

2: Yes, (laughing). So, I have nothing to add. No further questions from my side.

1: No, for me everything is clear.

3: Ok, and if there is something’s than comes up then in the next days if you have a doubt just mail to me. And if I can I will right you back and if not right away as soon as I can.

1: Yeah, thanks a lot.

1 & 2: Ok, have a nice day.

3: Ok, have a good day. Bye, thank you, Ciao.

1: Bye, ciao.
9.4 Interview with the sustainability manager of a Swedish fashion brand

Notes from the short conversation that happened after the interview was closed:
- A change can be seen through the fact that companies are starting to create departments on transparency and sustainability
- Big problem for brands to penetrate their supply chain, a lot of information is kept secret and or very hard to obtain.

Fredrika Klarén, interviewee: 1
Loes Tenniglo, interviewer: 2
Anna Limbach, interviewer: 3

Interview was conducted on Tuesday 10th of May, 10:00.

2: Okay.. ehm so now we start with the first question. This one is: to what extend do you believe the customer is asking for transparency? Are they not just interested in transparency because it seems to be a trend? Or?
1: Ehm, to what extend.. Eh we see that some ask for information, eh, very actively but they are very few. Eh. I don't know if you have seen the sustainable brand index? The analysis they make of the swedish customer is, they shape different behavioural groups, that, 7% are really dedicated and ask questions. They want to shop where they know they will get the information, and to them sustainability is more important than price. And then we have the large majority, eh, of the swedish customer who thinks sustainability is important but never more important than price. So, it has to be a combination of those two. Eh, and we that this group, they, they feel sustainability is hygene. They trust that we do our part, and that they don't necessarily have to do anything. Eh, they don't need to be active or ask questions. To be able to get a sustainable offer. So, I think that is also kind of the typical kappahl consumer. They, they, shop at kappahl because they trust us to do our part, but they don't necessarily ask questions.

Then we have the newbie customer, which is another of our brands where we have 10 stores and, we are still developing this concept. So we can, have a clear target group. And this customer is, more, eh, towards the dedicated consumer group. So really asking questions in the stores: what's this certification, what is OCS, eh how do I know there are no chemicals in this product, eh, yeah. They are really concerned, so, they are a group, to an extend, that is more eh, active and asking questions.

2: Eh and, also, then do you differentiate your communication based on that? Do you tell for one brand more on sustainability than the other since the consumer is more interested? Or is it more the same?
1: No, no it's the same. I mean, sustainability, we have decided since a long time ago, to be, be active in our sustainability communication on all channels regarding everything we do. The, eh, we have more of a, so that's not the the challenge for us. The challenge for us is to, to eh, get eh "Swedish word" what is the English name for that? Eh, to, have a, a, good basis for communication. Cause looking at our supply chain, there are transparency issues. We still see a lot of challenges when it comes to reliability of data, eh, to have comparable data, benchmarks,. As the SAC was talking about at the Transparency conference. So that is more of the challenge that we actually, we are really frustrated about this, because we want to communicate but we can't do it. Not like we want to, so that is the big challenge. And also, to
package it, in a way that it is pieceable for the consumer, that is where i think the industry is trying out different things, different ways and alternatives. I have been working with retail and sustainability for ten years, first with IKEA and now with Kappahl. And eh, i think, we still haven't found the recipe for how to communicate sustainability. Eh, none of us. Maybe patagonia! But that eh is because they are, what i think is they have a smaller target group. So yeah..

1: Yeah, hmmh, thats true they have a specific target group. Ehm, so what do you think is the added value for eh, kappahl, to be transparent towards the customer? What does kappahl gain from it?

1: Ehm, two things. I think that we build, eh, trust in our brand. This, is so important for our future business. And also, we get to activate a very important, ehm, contributor to sustainable fashion: our customer. Eh, because in developing sustainable fashion, they need to be activated, we, we, our products can't fulfill their sustainability potential. If we don't see to that the customer doesn't do its part. So it's both of those two that we gain by communicating sustainability.

2: Yeah! Interesting! So ehm, what do you think, eh, makes the information that companies give about sustainability and transparency trustworthy?

1: Sorry, could you say that again?

2: ehm, the information that you give, how do you make sure that it is trustworthy? That the customer believes it? Because, yeah, with greenwashing, and even though you communicate sustainability, how do you think the consumer can know its the truth?

1: Yeah, we think first, before we speak, it's really important and that's why i get frustrated sometime with these, these slow processes that we are in. but i feel like that it needs to be slow, because we, we, i don't want to risk he, putting information out there that is not 100% accurate. So, whe do is that we analysis everything. Eh, very thoroughly for example when it comes to our labels, our hangtags and “hallbarhet” as we call it in sweden. Before it gets printed on the label. An eh, we base it on industry standards, third party certification, brand association, eh, credibility, to be really really sure that this is accurate. Eh, and also when we do other things like we made this film series now called “make it feel right”, maybe I have showed you?

2: yeah i think you have showed it when you have lectured us.

1: yeah? Well ehm, for us it was really important that the production company didn't just run along with the sustainability message, eh, without really knowing, how to communicate it and what they could communicate. That, eh, we have gotten a lot of great feedback regarding that, our film series was really, eh, not greenwashing it was just really about the challenge, more than, here look at us at Kappahl we are doing so many great things. Or eh, what is the challenge behind green fashion and what do we do, and need to do. And eh if you compare that to for instance Gina Tricot’s sustainability films, eh, ehm, what was it called..

2: Yeah I remember seeing it, eh.. It was more like a video clip

1: Yeah, where this woman was dancing.. In the cotton fields with farmers. And, i feel, when i saw it the first time i thought oh great they are daring to make a movie! And it was really towards their target group, young and vibrant you know? But eh, i really understood the criticism towards it, because eh, they got a lot of greenwashing criticism. And eh, maybe, it was a bit too, too eh, shiny and glittery.

2: yeah and that seems to be so hard, because of course you want to point the message towards the customers..

1: yeah that is so hard, really hard! So yeah, i mean, it's a good example of how hard it is to communicate for instance Better Cotton. Eh, because that is the criticism...They got two
criticism, first Better Cotton they communicated that that was like a sustainable fibre, and also, that they actually, like it was racially wrong, the way that they portrayed the indian cotton farmers in comparison to this model, singing and dancing in the cotton field. so, but, for better cotton, it really pinpoints what a challenge we have in communicating that. But that is also so important that we get to communicate Better Cotton, because it is really, how we need to go long term sustainability in fashion, and develop fibres in a way that we develop Better cotton. We have to be able to sell them, it has to be innovative to scale and continue this journey. So, eh, it is not a sustainable fibre, you can't communicate it as a sustainable fibre.

2: It's less harmful..
1: It's a, more sustainable fibre, but if we have a degree of more sustainable fibres it is still one of the low ones. So, and also it is mass balance. So you can't say that this shirt contains better cotton, how can you say that? Probably it does, but you don't have the basis to claim that. Hm, so that is also a big issue where a lot of us has gone wrong. Their doing development for a lot of years and we have worked on it for a long time. But only recently we started communicating it, and eh, better cotton also has tried out things. Yeah, you can label the garments they said, and then: oh no we are making a claim that might not be true! Let's not put it on the labels! You can communicate like this, so we need to try out things. And what we see now is that we are really taking a step back when it comes to what we can say about the Better Cotton. And, eh, when it comes to on-product labelling.

2: Okay.. so and what information do you think is the most important to communicate, to get the customer to choose sustainable clothes over conventional? Do you believe that for example, communicating chemicals is really a big issue for your consumers? Are they more interested in the most sustainable fibre? Or water consumption?
1: We we, they are, Sustainable Brand eh, gives us a report every year based on the Swedish consumer. And when we asked them: what is the most important environmental aspect you want to know about? The answer was chemicals. But also, sustainable fibres, that we actually, people want to know how we develop them. So to get more environmental options on materials. So both of those issues are really important. Then when it comes to social acts, the most important issue, sustainability issue for the swedish consumer is eh, supply chain responsibility. The workers' rights, the wages, that's even more important to them then chemicals maybe. So eh.

2: That's quite interesting, because maybe in other countries such as Germany, the netherlands, people are more, well, interested what is closer to them. For example the chemicals they wear on their skin...
1: I think that depends on how you ask the questions! Because eh, we see that most surveys are hard to compare. This mostly because they ask the question in different ways. So, maybe in holland imagine, they ask what is the most important environmental aspect for the fashion industry. Whereas in sweden they eh, ask about what you look for when it comes to sustainability and responsibility. What you look for in a brand. And this came out to be most important. But to compare, we are on different markets as Kappahl as well, and i read a lot of surveys. But i can't really see a red thread, eh, but i would say that, for me it is important to look for the Business Research of Sustainable brand, i think it gives the best picture, yes. Maybe within the eu there are small differences, but on the over all we could eh, base the same kind of statistics on all EU countries.

2: Okay! Eh, so, and actually this is our final question: eh, how would you think brands should communicate transparency and sustainability to achieve a first mover advantage, or competitive advantage? So, i don't know. Is the question clear enough?
Ehh, “Long Pause” ehm, we don't see that there is a clear recipe for that. Eh, and i don't have any examples where i feel like someone is the first mover, at least not for our target group. I mean, for our huge target group, we as Kappahl are for the many. If i look at Kappahl's customer, eh, i don't think they have a perception of who is the first mover when it comes to sustainability today. They see us as a very generic industry, where no one really pops out. Eh, and, if you ask the swedish consumer, that's what they say. But i think, to be a first mover, and to have competition in the coming years, where hopefully more people will be looking for this, eeh, then you really have to eh, have to place these things in the core of what you do and who you are as a brand and its identity. It's not good enough to have a capsule collection with a green label on it. Eh, everyone will see through that. So i think that you have to communicate and integrate sustainability in your value proposition, for the long run. Eh, and how you get this into the products, and what you off the customer. And we also see that, to be perceived as a sustainable company, it is not just about how you work with chemicals and the climate, it's how you work with longevity, how stable you are as company, what kind of history you have.. What kind of product, you , you provide. If we will look at the swedish market, and the highest ranking sustainability brands are like, eh...

3: I have seen grocery stores, wasn't it? Ica? Coop?

1: Yeah, groceries.. Mainly organic groceries. What do you call it, Apothek.. Oh yes pharmacies. Those kind of trustworthy industries. And, so, that's really interesting i think. It's not about communication how you work with your products, it's about communicating what you stand for as an industry.

3: Yeah what is your identity..

1:And, really shape your identity, yeah. Have you read the report of Sustainable Brands?

2,3: No, not really..

1: Okay, because you really need to do that! Because, i think it's the most, it's the best source on sustainability communication. And a, the consumer in sweden.. But they also, I think they are in four countries now. So they have sweden, norway, finland and denmark. And i don't know what is free and what you need to buy... but eh, maybe if you, ehm, let's check... go into their webpage to see what you can get and if you are able to purchase reports, for in your eh.. Yeah.

3: Yes i believe that Jonas, a teacher from our school gave us a book, called CSR and Beyond, which had a chapter on how to communicate.. And they referred to these studies on scandinavian countries.

1: Yeah, good!

3: So there we got some information which we already used.. But maybe we should look more into that.

1: Yes, i believe it is the best source for communication. And if it's jonas larsson, he knows quite that. But yes that was a last tip from me..

2: Great, yes we will definitely look into it! Anna do you have anything more?

3: I had one, one though, ehm, do you believe it's easier with social media to communicate? Or is it more that the employees communicate sustainability? Or.. what do you think is the best to do it? Do you need an holistic view?

1: You need a holistic view, ofcourse, in our new sustainability strategy we, we put down that we need to communicate sustainability in all channels. So thats what we are aiming for, to have a clear sustainability communicating strategy that we adapt on all channels. So its not like we will just use one for sustainability. But if you ask the customer, they want the information on the product.

2: So, they want it in store at the moment they buy it.
3: Yeah on the label, so that it is easy and they dont have to look for it.
1: Yeah, they dont want QR codes, they dont want to surf into the webpage, they want the information when they shop online, or when they go into the store. So on the product. And relevant information.
2: Yes.
1: And thats why i think its so important that we develop that primarily. Because it is easy for us to have a webpage and then collect there just everything that we do, but the challenge for us now, we are working a lot with it now, because we are not happy with our hangtags, or, yeah. Since we have been working with sustainability for so long, we were actually very early when it came, but, yeah, the labelling we have had it for so long that we feel its, a bit old
2: It needs an update?
1: Yeah it needs an update haha, so that is what we are focussing on. And, actually when it comes to shopping online, what information can we have there? What would be relevant and inspiring for the customer in that kind of transparency? And then we need the system, to ehm, to provide that type of information ofcourse. Yess..
3: Yes, so it has to come from the supply chain..
1: hmm. So all channels, social, we need to communicate it everywhere, but on product it is really important.
2: Okay, yes! I have nothing to add to that! Do you have anything to add anna? Or would you like to comment Fredrika?
1: Nope, just to take a look at the Sustainable Brand Index and eh, yeah, if you have more questions you can always email me! I will try to do my best
2: Okay, thank you so much for your time again