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TRAINING PACKAGE 2

SUSTAINABLE AND DIGITAL MANAGEMENT OF A FASHION COMPANY

Table of content

- Introduction**3
- Module 1: Challenges and human resources in fashion industry**7
 - 1.1 Employment law in fashion industry among European Countries7
 - 1.2. Why is the fashion industry attractive for young people? How to attract them to fashion?15
 - 1.3 Slow fashion vs cheap fashion23
- Module 2: Sustainable business management in the fashion industry**36
 - 2.1 History of sustainability and SDG, sustainable business practice.....37
 - 2.2 Main fashion business models and their impact54
 - 2.3 Sustainability applied to fashion SMEs: business strategies and eco-solutions65
- Module 3: LEAN management and supply chain in fashion industry**80
 - 3.1 Introduction to LEAN principles and their applicability in the fashion industry80
 - 3.2 Case studies of successful LEAN implementation in fashion supply chains81
 - 3.3 Challenges and barriers to implementing LEAN principles in the fashion industry82
 - 3.4 Measuring the ROI of LEAN initiatives in fashion supply chains.....83
 - 3.5 Conclusions84
- Module 4: Sustainability and Innovative Leadership in fashion industry**99
 - 4.1 Employment training in the fashion company99
 - 4.2 Digital solutions in management for fashion industry112
 - 4.3 How the fashion company works?125
- Module 5: Cultural Change, Digital economy, and E-commerce in fashion industry**.....135
 - 5.1 Fashion and culture among EU members135
 - 5.2 E-commerce for fashion company. Practical solutions143
 - 5.3 Customers of fashion companies, how to build an aware consumer of fashion goods154
- Module 6: Corporate Social Responsibility in the fashion industry**167
 - 6.1 CSR, the companies social accountability168
 - 6.2 CSR applied to the fashion business178
 - 6.3 Business ethics and further corporate responsibility paradigms190

INTRODUCTION



https://pl.freepik.com/darmowe-wektory/ocal-planete_8134921.htm#query=csr&position=8&from_view=search&track=sph

- **Why are we approaching this topic?**

Sustainability is based on three main pillars: economic, environmental and social aspects. Therefore, in addition to technical competence, specific knowledge is needed in the field of sustainable and digital business management, knowledge that covers the entire supply chain and activities to achieve the



desired results in this industry. Our analysis has shown that there is a clear need to attract young people and the unemployed to the fashion industry. We want to meet this need. Furthermore, with this course, we want to encourage this group to actively build the fashion sector with their technological skills. We want young people to be actively involved in the transformation of this sector,

thinking about their development and career, also considering this type of business. This course will help unemployed and young people to acquire management skills. In addition, some of the modules are also dedicated to experienced entrepreneurs, with the aim of showing them how to remodel their business management system so that it operates according to the principles of sustainability and responsibility. This course focuses on one main challenge: the managerial and human aspects of fashion business models.

- **For whom is this course?**

With the aim of improving managerial competences, in line with sustainable development as well as social responsibility, we have created this course with three target groups in mind. If you are a young person who is looking for your path and career opportunities - this course is for you! If you are unemployed, looking for a job or want to retrain - be sure to use this set of educational modules. If you are an experienced entrepreneur and want to upgrade your management system with the latest effective solutions - don't hesitate to take a look at our proposals.

- **What you will find in the following modules**

We have prepared up to 6 modules for you, which you can use according to your needs - we tried to ensure that everyone will find something for themselves and will be able to use it according to their possibilities and business plans. Next to each module you will find information on how long it will take to complete.

Among the most important topics, here you will find information on the modern **challenges of the fashion industry**. Knowing that it is not easy, we have also not overlooked the topic of **managing the industry's business**, its **human resources**, also **using digital tools and solutions**. Here you will find a module specifically designed for those who would like to learn about specific solutions for the cheaper but ecological **management of the fashion sector's supply chains**. In module 5, you will learn **how fashion and culture differ** in EU Member States. The secrets of successful e-commerce for European fashion companies will be revealed to you, while at the same time building an informed consumer. Finally, we've served up something special - all about how to build **effective CSR and ESG** and why it's so important for any modern company.

- **What are inner CSR and ESG activities?**

CSR (Corporate Social Responsibility) is becoming not just a fashion, but an important part of business culture for an increasing number of European companies. Responsible business is a concept where organisations voluntarily integrate social and environmental interests into their business operations and in their dealings with stakeholders (including employees, customers, suppliers, shareholders and the local community) as early as the strategy-building stage. Companies implementing a responsible business programme usually enjoy a good reputation and great market acceptance, as CSR policy is a testimony to the conscious, holistic action of entrepreneurs who - in addition to their own interests - also take into account global problems, the needs of employees and the well-being of the environment.



Responsible business is not a cost, but an investment: in human resources, in environmental protection and in shaping the attitudes of contractors. The primary objective here is to achieve a balance between the company's efficiency and profitability and the interests of society.

Sustainability initiatives that companies can undertake as part of CSR include using sustainable resources, sponsoring local events, providing financial benefits or assistance, offering educational materials or free educational services to developing countries or local communities, philanthropic programmes or any CSR activity that increases productivity.

Corporate Social Responsibility (CSR) is considered as the activity of a company to enhance corporate image and reputation. In contrast, ESG pursues corporate sustainability based on environmental, social, and governance themes. The evaluation of corporate non-financial performance and investment are the most important factors.

Environmental, Social, and Governance (ESG) is a framework designed to enable organizations and countries to assess how far they are with their sustainability goals. It is a collection of non-financial factors that evaluates the robustness of an organisation's governance mechanism and its competence to effectively manage its environmental and social impacts. The goal of ESG is to encapsulate all the non-financial risks and opportunities immanent to a company's day-to-day activities. Investors are increasingly using these non-financial factors as part of their analysis procedure to identify material risks and growth opportunities.

A conscious and effective ESG policy, therefore, has become a priority for many fashion brands and is becoming increasingly important for shareholders, investors, and customers.

ESG considers three pillars:

Environmental: Energy efficiencies, carbon footprints, greenhouse gas emissions, deforestation, biodiversity, climate change and pollution mitigation, waste management and water usage

Social: labour standards, wages and benefits, diversity and inclusion, pay equity, human rights, health and safety, supply chain management, other human capital and justice issues

Governance: Corporate board diversity and structure, strategic sustainability oversight and compliance, transparency and disclosure, bribery and corruption, risk management.

ESG helps fashion companies greatly enhance brand by adopting ESG programs with more eco-friendly products, minimize wastes, maximizing recycling and reuse, and rethink resource ownership.

Fashion brands have to think how to create synthetic fibre alternatives and develop more eco-friendly manufacturing and dyeing processes. To invest in ecologically sustainable sourcing practices and circular design and manufacturing. To reduce the consumption of water across the supply chain to help deliver a positive impact on local environments, particularly for marine and freshwater habitats and nearby communities. To set targets to decarbonise the supply chain and halve greenhouse gas emissions and achieve net zero emissions. Technology and research are playing a key role in making the industry more sustainable. The Fashion sector should also spells targets for securing electricity from renewable sources with minimal other environmental or social impacts.

Investments that are not environmentally friendly and do not fit in with sustainable development goals are increasingly poorly perceived by the market and investors themselves. ESG implementation can therefore be an important competitive advantage.

You will learn how an effective CSR and ESG actions can be implemented in a fashion company. We will show you the importance of CSR and ESG actions and the profit they can generate. Other modules will give you a better understanding of the need to create such actions, as well as what precisely they can involve.

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Niski ślad węglowy najgorętszym trendem sezonu, <https://www.teraz-srodowisko.pl/aktualnosci/sladoweglowy-przemysl-modowy-zobowiazania-emisje-11121.html>

F A S H



1. MODULE TITLE**Module 1: Challenges and human resources in fashion industry****2. SHORT MODULE DESCRIPTION**

The fashion retail industry has undergone significant changes over the past few years. Nowadays, fashion is more than buying useful clothes; it is an expression and extension of oneself. The fashion retail industry is one of the most globally united industries in the world, but due to its indecisive nature, it can be difficult for these brand owners to prosper in this fiercely competitive industry. In all aspects of a fashion-related company, HR is an important function. This module will address the issue of labour law in the fashion industry among European countries, the importance of fashion to young people, as well as other concepts related to the fashion industry.

3. TOPICS FOR COLLABORATIVE FORUM

1. Do you know about any recent law in fashion industry among European Countries that you would like to share?
2. What are the ways to attract the attention of the young to fashion and gain their sustained interest in it? Share your ideas here.
3. Is 'cheap fashion' really cheap?

1. SUB-MODULE TITLE**1.1 Employment law in fashion industry among European Countries****2. INTRODUCTION (SUB-MODULE DESCRIPTION)**

As in other fields of industry, also in the fashion industry there are relevant laws related to the employment of people in this sector. This industry is governed by specific regulations, and it is worth knowing at least the most important of them. Employment in the fashion sector includes such key aspects as the right to decent wages, a focus on sustainability and a lot more. When deciding to work in the fashion sector, you need to be aware of the responsibilities and rights you have. As far as European countries are concerned, employment laws are basically similar, but keep in mind that it is crucial to familiarize yourself with these regulations before taking a job to avoid any future problems. In this submodule we will present the most important aspects hidden under the term employment law. You will also learn about situations related to employment law in the fashion industry sector in selected European countries¹.

3. LEARNING OBJECTIVES

Upon completing this sub-module you should:

- have knowledge what the general term "employment law" means,
- demonstrate familiarity with the special features of employment law in the fashion industry, and
- increased knowledge about the employment situation in the fashion sector in Europe.

4. LEARNING CONTENT

¹ Fairtrade Polska "Odpowiedzialny i zrównoważony przemysł odzieżowy"



<https://www.fairtrade.org.pl/aktualnosc/odpowiedzialny-i-zrownowazony-przemysl-odziezowy/>

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What is labour law

Labour law is a branch of law that covers the relationship between employers and employees, including what employers can expect and demand from employees, as well as what rights employees have in the workplace. Labour law also deals with legal issues related to self-employment.

It is a broad topic, and those who work in the fashion industry, like any other industry, must comply with the requirements of the law. Indeed, some labour law issues are quite common in fashion, such as the issue of restrictive covenants. Finally, there is a growing trend toward self-employment in the industry.

There are two types of labour rights: **statutory rights** (which are rights conferred by laws of Parliament and EU regulations) and **rights specified in the employment contract**. Statutory rights are absolute, and among the most important of these is the right of the employee:

- you cannot be discriminated against,
- earn at least the national minimum wage,
- the right not to make payroll deductions,
- detailed payroll broken down by income and deductions,
- the right to leave of absence,
- the right to maternity leave,
- the right to accompany the union representative in disciplinary and grievance proceedings.

Violation of the law gives the employee grounds to file a lawsuit.

Given the nature of the fashion industry, there are certain aspects that are unique to the industry. An example of this is the use of **restrictive covenants in employment contracts**, which is a broad term in a contract that prohibits an employee from doing something. For example, employment contracts for models may contain clauses that a model cannot increase 2 cm in her waist. This type of regulation is not unheard of in the industry.

If you want to challenge a restrictive covenant, it is based on the fact that it cannot go beyond what is necessary to protect the employer's legitimate interests. Thus, if a restrictive covenant is not designed to protect a legitimate business interest, or if it goes too far, the courts will find that it is unlikely to be enforceable.

Many people in the fashion industry are self-employed, and indeed there is a growing trend not only in fashion, but in general, to be financially active as a self-employed person. The definition of a **self-employed person** is an independent entrepreneur or contractor who determines for whom he or she works, how and when the work is done.

Examples of **freelance jobs in the fashion** world include:

- model - many models are classified as subcontractors for modelling agencies or as freelancers, which means they have to find work themselves,
- photographer - a profession suitable for self-employment. Photographers expect a portfolio in which they can demonstrate their technical skills,
- stylists - personal stylists and makeup artists are usually independent,
- designers - 25% of fashion designers are self-employed,

- marketers - an often overlooked but fundamentally important role in the industry².

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https://www.freepik.com/free-photo/young-man-choosing-jacket-shop-with-assistant_8793108.htm#query=shop%20assistant&position=2&from_view=search&track=sph

Labour law in the EU

In recent decades, EU policy has aimed to:

- achieving a high level of employment and strong social protection,
- improving living and working conditions,
- protecting social cohesion.

The goal of the EU is to promote social development and improve the living and working conditions of the people of Europe. In the area of labour law, the EU complements the policy initiatives of individual EU countries by setting minimum standards. In accordance with the Treaty, it adopts laws directives that set minimum requirements for the:

- working conditions - working hours, part-time and fixed-term work, posting of employees,
- informing and consulting employees about mass layoffs, company transfers, etc.

The EU adopts directives that are incorporated and implemented by member states into national law. This means that it is public authorities - such as health and safety inspectors and courts - that monitor compliance with the regulations.

With more than 240 million workers in the European Union, workers' rights directly benefit many citizens and have a positive impact on one of the most important and tangible areas of their daily lives.

EU labour law also benefits employers and society as a whole through:

- providing a clear framework of rights and responsibilities in the workplace,
- protecting the health of workers,
- promoting sustainable economic growth³.

² LinkedIn "Fashion Industry & Employment Law" <https://www.linkedin.com/pulse/fashion-industry-employment-law-bruno-rodrigues>

³ European Commission "Employment, Social Affairs & Inclusion, Labour law" <https://ec.europa.eu/social/main.jsp?catId=157&langId=en>



Source: <https://unsplash.com/photos/cfDURuQKABk>

Labour rights violations

According to the International Labour Organization, some 260 million children work worldwide. Of these, an estimated 170 million are involved in fashion work, defined by the UN as "work for which a child is either too young - work performed below the required minimum age - or work that, because of its harmful nature or conditions, is totally unacceptable to children and is prohibited".

These children are employed to work in the production of textiles and clothing to meet the needs of consumers in Europe, the United States and beyond.

The situation is improving. According to the International Labour Organization, the use of child labour fell by 30% between 2000 and 2012, but still 11% of children worldwide are in a situation where they are denied the right to attend school.

Many of these working children work within the fashion supply chain, producing textiles and clothing to meet the needs of consumers in Europe, the United States and beyond.

Fast fashion has led to race, forcing companies to seek ever-cheaper sources of labour, and children are seen as obedient workers who slip under the radar, making them easier to manage⁴.

Fashion sector in the EU

In Europe, the textile and apparel sector is a powerful manufacturing industry. Its strength is that every stage of the production chain is or can be located in the EU. Many growth trends have emerged in recent years. Exports, turnover, numbers of companies and employment have all increased.

The **main textile and fashion producers** in the EU are Italy, Germany, France, Spain, Portugal, Belgium, Poland, Romania and Austria. They produce clothing, carpets, home textiles, cellulose fibres and technical textiles used in various sectors.

⁴ The guardian "Child labour in the fashion supply chain" <https://labs.theguardian.com/unicef-child-labour/>

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European textile and fashion companies are mainly SMEs. They directly employ 1.69 million people, 70% of whom are women. Talented and skilled workers are essential to our industry in Europe. **The sector will create more than half a million jobs in the EU by 2025⁵.**

Fashion industry research in the EU

A 2020 report on ofeminin writes that a total of 108 apparel brands and retail chains from 14 countries - including France, Italy, Spain, Sweden, the United Kingdom, the United States and Poland - were surveyed. According to the study's findings on **the issue of decent pay**, it is none of the brands that offer decent wages to all workers in their supply chain.

As for the minimum wage: first, it does not exist in all countries, it is only a legal solution, and second, even if it exists, it is usually not enough to cover basic needs.

First and foremost, the garment industry is a global industry that for decades had the goal of making as much money as possible, which means producing as cheaply as possible. This means that it has profited from the starvation wages of workers.

Yet seeing a **"Made in..." label** in any Asian country, we don't have to conclude that the seamstresses were exploited. As an example that sewing in Asia does not have to be inferior at all, we can give the example of the Polish brand KOKOworld, which sews its first Fairtrade collection precisely in Asia, especially in India. And it sews there not because it's cheaper that way, because it's not, but because in order to take care of the whole process, including labour rights, she simply couldn't do it in Poland⁶.

The situation with apparel manufacturing in Europe is twofold. While there are small domestic companies where garments are produced with respect for workers' rights and sustainability, more often than not the reality is different. **Most large European fashion-related companies outsource the production of their products to huge factories**, most often located in Asia. These factories most often violate the basic rights of their employees, employ children in production, and the salaries paid to workers usually contradict any fair compensation. Unfortunately, the European fashion industry is dominated by the latter model, and more attention should be paid to local garment manufacturers, supporting them and thus contributing to improving the employment situation in this sector. Statistics and employment figures for garment factories as of today are not encouraging.

It takes an army of artisans to create a product for a customer, which addresses the exploitation one encounters in the fashion industry. There are not just flaws in the industry, but issues that require the utmost attention, as the degree of exploitation has been rampant. **Statistically, 31.9% of total employment in the garment industry is female**, although an irrational rate of child labour can also be seen. It is high in this industry because of tasks that are potentially more suitable for children than adults. An example is cotton garment manufacturers, which have their own supply chain, for which plucking cotton buds

⁵ Euractiv "European Textiles and Fashion: Facts & Figures" <https://www.euractiv.com/section/innovation-industry/infographic/european-textiles-and-fashion-facts-figures/>

⁶ ofeminin <https://www.ofeminin.pl/swiat-kobiet/kariera/zadna-z-marek-odziezowych-nie-zapewnia-godnych->



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is a complicated activity. Children are hired for such tasks to avoid damage, as children have small fingers for plucking them⁷.



https://cdn.pixabay.com/photo/2012/03/01/00/37/buttons-19755_960_720.jpg

5. CASE STUDY

Context: We do not realise that the exploitation of garment workers is not just a phenomenon of distant Asian countries. The same thing is happening in Europe. Nearly half a million workers in Romania put the country in the position of Europe's largest fashion workforce. Clothes for many well-known Western European brands are produced here. At the same time, there has been a labour shortage in this industry for many years, as it is famous for its hopeless working conditions.

Description: In a Clean Clothes Campaign report published in June 2019, it turns out that none of the big brands can prove that they pay their sewing room workers enough to lift them out of poverty. And this means that human rights are still being violated in the garment industry, despite publicising the issue.

We list some European clothing brands that work are certainly better than fast fashion. Not in every case does the brand meet all the criteria. Some emphasise that they produce clothes on a small scale in small sewing factories, other brands have such detailed production information on their websites that the entire clothing industry could learn from them.

Jan 'N June believes that affordable fashion does not mean a compromise between profit and people or the environment. With her business model and actions, she definitely ranks as one of the most ethical in the market. It also pays attention to detail, such as not packing clothes in plastic when transporting them from the sewing room. Located in Wrocław (Poland), based in Hamburg.

Joyti Fair Works is a small German brand that supports women in India by creating fair fashion. The materials are organically sourced, the cuts of the clothes are quite classic and sewn with care to make them last. The company describes itself as a social enterprise, focusing first and foremost on the people who make these clothes.

IAIOS jumpers are recycled and the leftover materials are recycled. The entire production stage of the clothes, in turn, takes place in Spain, where the brand also originates from. The dyeing process also sets it apart - using small amounts of water compared to traditional

⁷ Fashion & Law Journal "Legal Issues in Fashion Industry" <https://fashionlawjournal.com/legal-issues-in->

[fashion-industry/](#)

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methods. Although IAIOS makes extensive use of recycled wool, the website also explains why it uses acrylic and explains the rationale behind this.

Boochen - the original cuts and designs of swimwear, topped off with a more planet-friendly version. This is because the brand's products are made from, among other things, Econyl, a material created from waste - including fishing nets, pieces of nylon or carpets. The brand also mentions on its website that it is in the process of working on making better use of leftover materials and creating a swimwear recycling system⁸.

Lesson learnt: A high price has nothing to do with being environmentally friendly or a fair employer. Through growing consumer awareness, the label of more or less luxury brands is fortunately losing its value and is no longer a symbol of prestige to the extent it was just a few years ago. Moreover, consumers are not only asking for, but they are criticising, which pushes the industry towards more transparency.

6. PRACTICAL ACTIVITIES

True/false questions

1. There are two types of labour rights: statutory rights and rights specified in the labour contract.

TRUE

FALSE

2. In accordance with the Treaty, it adopts laws directives that set maximum requirements for working conditions.

TRUE

FALSE

3. Some of the major textile and fashion producers in the EU are Italy, Greece, and Germany.

TRUE

FALSE

4. European textile and fashion companies directly employ 1.69 million people, 60% of whom are women.

TRUE

FALSE

5. The EU's goal is to promote social development and improve the living and working conditions of European nations.

TRUE

FALSE

Drag the words.

240, restrictive, absolute, 170, global

1. Statutory rights are

2. covenants in employment contracts are a term in a contract that prohibits an employee from doing something.

3. It is estimated that million children are involved in work in the fashion industry.

⁸ Ethical fashion brands from Europe - and how to find your way around the ethical fashion theme?

<http://www.adamantwanderer.com/28-etycznych-marek-odziezowych-z-europy-i-jak-odnalezc-sie-w-temacie->

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4. With more than million workers in the European Union, workers' rights directly benefit many citizens.
5. The fashion industry is a..... industry.

Answers

1. Statutory rights are **absolute**.
2. **Restrictive** covenants in employment contracts are a term in a contract that prohibits an employee from doing something.
3. It is estimated that **170** million children are involved in work in the fashion industry.
4. With more than **240** million workers in the European Union, workers' rights directly benefit many citizens.
5. The fashion industry is a **global** industry.

Single choice Set

1. The main fashion (textile) manufacturer in Europe is not:
 - A. A Poland
 - B. B France
 - C. C Germany
 - D. **D Norway**
2. In recent decades, EU policy has aimed to:
 - A. **A Improving living and working conditions**
 - B. B Increasing employment in apparel production
 - C. C Increasing wages for fashion workers
 - D. D Strengthening partnerships for responsible consumption
3. Freelancing in the fashion industry can be a profession:
 - A. A Model
 - B. B Photographer
 - C. C Stylist
 - D. **D All answers are correct**
4. What does the labour law cover?
 - A. A Issues of sustainable production and caring for the environment
 - B. B Relations between suppliers of goods and employees
 - C. **C Relations between employers and employees**
 - D. D None of the answers is correct

7. REFERENCES

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Ofeminin, <https://www.ofeminin.pl/swiat-kobiet/kariera/zadna-z-marek-odziezowych-nie-zapewnia-godnych-plac-wszystkim-pracownikom/p1s5fms>

The Guardian, Child labour in the fashion supply chain, <https://labs.theguardian.com/unicef-child-labour/>

8. EXTERNAL RESOURCES

<https://fashionchecker.org/pl/>, a site where you can check whether particular clothing and footwear brands are providing their workers with decent wages

<https://www.euractiv.com/section/innovation-industry/infographic/european-textiles-and-fashion-facts-figures/>, a compilation of key facts about the textile and fashion industry in Europe

<https://labs.theguardian.com/unicef-child-labour/>, Information about child labour in the fashion industry supply chain

1. SUB-MODULE TITLE

1.2. Why is the fashion industry attractive for young people? How to attract them to fashion?

2. INTRODUCTION (SUB-MODULE DESCRIPTION)

Not everyone succumbs to fashion, but it is a very common phenomenon. There is always some person or group of people starting a particular trend, which others then begin to repeat. The fashion industry today attracts many young adults not only because it is just a somewhat new profession, but additionally aims to recognize individual tastes in fashion. In addition, it is a significant career today with high pay. Especially in Western culture, fashion is an extremely important element in the lives of teenagers. Why is that? We should also ask ourselves whether it is easy nowadays to interest, to attract young people to fashion. What are the most effective ways to do this, and will they prove adequate every time?

3. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)

Upon completing the sub-module, you should be able to:

- have knowledge on the reasons why fashion is so attractive to young people today,
- explain why young people can look to the fashion industry for opportunities for a successful business,
- convince young people on ways to effectively make the subject attractive to them, and
- adapt contemporary fashion to the tastes and needs of young people.

LEARNING CONTENT

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Reasons for young people's interest in fashion

Fashion is actually changing teenagers' lives: the way they dress, the way they act, the way they think, etc. It is true that clothes exceeded their primary role of protecting the body and transformed into an extension of people's personalities. Some of the most important reasons for young people's interest in the fashion industry and fashion itself can be listed.

We present them below:

- statement - for teenagers, fashion is first and foremost a social statement. It is an external means of expression to their peers and the rest of the world,
- identity - fashion provides teenagers with a strong sense of identity, thanks to it they can show what group they belong to ("punk", "goth", "prep", etc.). It can also signal a more independent or inclusive personality,
- attraction - teenagers can be extremely conscious of their overall image when it comes to attractiveness. They will often use fashion as a means to attract a certain type of person,
- rebellion - rebellion can also be manifested through fashion. Since rebellion is often a huge aspect of a teenager's life, it is not shocking that teens often use licensed or shocking fashion to rebel against their parents, classmates and/or society,
- peer pressure - many teenagers pick up fashion trends in an effort to avoid humiliation and ridicule from their peers. Poor fashion choices in the eyes of others can often be an invitation to ridicule,
- celebrities - many times fashion for teenagers is the result of wanting to be like a celebrity. Celebrities are perhaps the biggest factors influencing teenagers in today's world and can have a huge impact on a teenager's ideas about fashion and its importance⁹.



https://pl.freepik.com/darmowe-zdjecie/radosna-paryska-kobieta-w-berecie-i-okularach-przeciwslonecznych-wskazuje-na-miejsce-na-tekst-na-fioletowej-scianie_16180423.htm#query=fashion%20for%20young&position=4&from_view=search

For teenagers, **fashion is not limited to looks and clothes**. Teens are known to copy

everything easily, so for them, fashion is also about adopting a certain lifestyle or behaviour.

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For example, the "emo" style has had a huge impact on teenagers. Fashion can have both positive and negative effects on teenagers' lives.

Most teenagers spend most of their money and spend most of their time on making an impression, and some of them don't even know the boundaries. They need to learn that fashion is a good thing that helps a person improve, but it can also have a bad effect if they don't know when and where to stop. In other words, nothing excessive is healthy, and teenagers need to learn to distinguish between the vulgar and the beautiful, because if they continue on one patch, they will transform as a person in a short time¹⁰.

Fashion as an opportunity for your own business

In addition, the attractiveness of the fashion industry is also supported by the fact that fashion for young people is an opportunity for their own business. The fashion market is growing more and more each year, and as a result, the number of jobs to be filled is increasing. **The apparel and fashion industry is one of the fastest growing branches of the contemporary economy.** New, previously unknown professions are also taking shape, such as choreographer and fashion director. With more jobs to fill, young people have the opportunity to get started in the fashion industry and, over time, advance and grow in the industry. The fashion industry provides opportunities to conquer the job market and, in turn, self-develop and lead their career path in the right direction. The fashion and textile industry has great potential, but a prerequisite for the development of this sector is the effective cooperation of all the actors involved: public authorities, legislative bodies, representatives of other industries and non-governmental and social organizations, as the dynamic development of the industry is supported by various institutions. It is important, therefore, that these institutions focus more on attracting young people to this particular sector in their efforts.

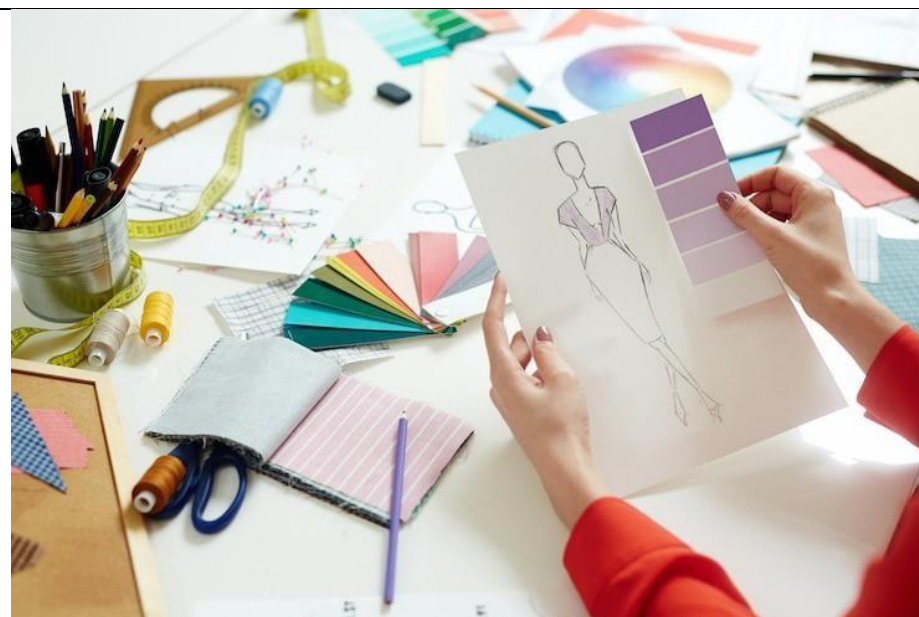
Whenever a young person decides to combine their practice by means of the fashion business, nothing engages the attention except one element of it - the style design. Perhaps few people really realize that this is a distinct area of the fashion industry. After all, there are many areas and different careers, including creating fashion retail, clothing, fashion style, fashion style advertising, etc. The latter does not have the interest that is worthwhile, but it is essential¹¹.

⁹ leaf.tv "Why is Fashion so Important to Teens?" <https://www.leaf.tv/articles/why-is-fashion-so-important-to-teens/>

¹⁰ Fashion blog "The Influence Of Fashion On Teenagers" <https://www.fashionologymag.com/influence-fashion-teenagers/>

¹¹ abctygodnik.pl "Moda dla ludzi młodych to szansa na własny biznes" <http://abctygodnik.pl/artykuly/3552-moda-dla-ludzi-mlodych-to-szansa-na-wlasny-biznes>





[https://pl.freepik.com/darmowe-zdjecie/modny-kolor_5399992.htm#query=fashion%20industry&position=1&from view=search](https://pl.freepik.com/darmowe-zdjecie/modny-kolor_5399992.htm#query=fashion%20industry&position=1&from_view=search)

A fashion brand that meets the expectations of young people

More and more people are interested in fashion and image - in Poland, for example, it is now 68 percent of the population. They are still mainly women, but in the younger age groups (19 to 24) this proportion is changing and a growing role for men is evident. Higher disposable income is more likely to be spent on buying clothes, which drives the clothing market more.

For many decades, the way for a brand to succeed inside the fashion industry has been to target the young market. The main reason for doing this, besides the population statistics that show that this sector of the population is often growing concisely in every country, is that if you engage with a customer at a young age, the likelihood that they will continue to use the brand for the rest of their lives is really high.

Already practically half of the Internet is made up of sites directly related to fashion and good looks. They are the ones we come across most often and should be familiarized with. The conclusion is obvious - it is through the web that it is easiest to attract young people to fashion. However, most brands are failing when it comes to connecting with Generation Z (Gen Z) teens. At least according to studies conducted in recent years. It turns out that in order to attract them to a particular brand or product; you have to make an effort these days - first and foremost, to be aware of what young people expect. As a generation of teenagers who **strongly value their individual identity**, Gen Z appreciates brands that **can help them refine what they see in themselves**. They value brands that **can help them co-create their own unique story** and **connect with them as unique individuals**. Gen Z teens also value brands that **support diversity, inclusion and environmental protection**. The same when it comes to communication and promotion channels. Leading most of their lives online, they expect brands to **prioritize interacting with customers on mobile and social**

devices. This means that **all online interfaces and applications must be easy to use, seamless and hassle-free¹².**

Hence, the interest in fashion is created by such brands that adhere to the expectations of young people mentioned earlier. So if you want to make the young interested in the fashion industry, don't forget our tip so you will attract the attention of the young audience.

Strategies to attract young people to fashion

"Earn our respect and trust by being blunt and to the point. Tell us exactly what you're marketing and how much it costs. State that we should buy it because it rocks, it will improve our lives in some way, and you want our business, point blank." – Emma Ryan, a Gen Z-er

When it comes to attracting young people to a fashion brand, marketers need to focus on their target audience. First of all, take a closer look at them; focus on their needs and requirements, as well as the communication channels they use most often. Undoubtedly, such efforts are needed, as the younger generation makes up a large percentage of customers. Currently, the most popular strategies to attract young people to fashion are:

- Empowering brand ambassadors

Engaging new ambassadors or increasing brand promotion among those already present will help attract more young people, as this will undoubtedly help build authenticity and recognition - a key aspect of fashion. It is not a well-known fact that cooperation with famous people has a positive impact on the reception of a given product or anything else by representatives of the younger generation.

- Understanding of mobile trends

In this aspect, personalization is extremely important. Virtually all representatives of the Gen Z use mobile devices, social media and spend a lot of time on the Internet. It is there that they look for interesting content, so reaching potential audiences through this route can be the most effective. An example here could be brand-related photo overlays, filters on Snapchat or stickers that can be added to Instagram stories.

- Spotlight on user-generated content

In this aspect, it is important to track where the product/brand is actually reaching. Photos, comments or customer feedback on a particular item can be used just as effectively to promote a fashion brand as influencer participation. Content generated by people interested in the brand or buyers of its products is good material for a campaign to encourage young people to fashion.

- Getting closer to the customers

The visual aspect of the brand also plays a very important role in attracting new audiences to it. This includes the design of stationary stores and the design of places where, for example, the brand's clothes are sold. Organizing a space or a backdrop that can be made available to customers, who can then take photos in that place and thus promote the brand,

¹² Cooler insights "Marketing Case Study: 10 Brands That Gen Z Teenagers Love"



<https://coolerinsights.com/2019/12/marketing-case-study-brands-teenagers/>

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can be the key to success. Young people appreciate just such initiatives organized specifically for them, which influences their overall perception of fashion. The more such steps are taken, the greater the chance of interest from the youngsters.

- Acquiring knowledge and implementing influencer marketing

Creativity is what counts these days. Traditional ads are losing their value because a huge number of young people are fed up with seeing them and, for example, use tools that block their display on websites. They also want the brand's influencers to be as close to them as possible, so that they are simply people like them. In this way they will put their trust in the brand to select the right people to promote their offer. This doesn't mean, however, that an attractive fashion brand should completely give up on engaging celebrities in product promotion campaigns. It is simply important to show creativity in influencer marketing¹³.



Source: https://www.freepik.com/free-photo/young-asian-male-online-merchant-blogger-using-mobile-phone-camera-with-selfie-stick-live-video-review-sell-product-looking-camera-social-media-influencer-online-shopping-concept_28260821.htm#page=2&query=influencer&position=46&from_view=search&track=sph

5. CASE STUDY

Context: An original idea of scarves with a unique leather clasp known under the Polish brand Favillier, which came arose from own needs while parenting.

Description: The challenge to branding can be a cost issue, it was creating the costing that was the challenge when it came to Favillier. This is because the calculation of the price of a product is not only made up of the price of the material, the cost of the seamstress and own margin, but also a few additional very important details which were personally omitted in the cost estimate and which resulted in the fact that, despite the huge number of monthly orders, the overload of work, the lack of a day off, late nights and overtime, Emilia Favilli, the brand owner, actually worked for free and the company ended up making a loss. Probably the biggest problem then and now is the fact that in Poland the subject of imposed margins in the textile business is still a taboo subject, and it is very difficult to find out how

¹³ Forbes "Five Ways To Attract Young Retail Customers"
<https://www.forbes.com/sites/tinamulqueen/2018/04/12/five-ways-to-attract-young-retail->

[customers/?sh=733d9e135f8c](#)

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such a real calculation should look like and what you should pay attention to when determining the price of a product. This is why many young entrepreneurs skip the costing or business plan stage altogether, driven by over-enthusiasm in their vision of owning their own brand, or simply create a business plan based on miscalculated costs and pricing their product by feel. It is for these reasons that more than 85% of start-ups fail in the first two years of business.¹⁴

Lesson learnt: To avoid disappointment and the unnecessary costs of launching a misguided product - it would be most sensible to do a little background research. The creative side of running a fashion business is only 5% of everything else involved in running your own brand. Because as well as coming up with your ideal product, you still have to produce it, promote it, sell it, ship it and deal with the tax authorities.

6. PRACTICAL ACTIVITIES

True/false questions

1. Fashion, especially in Western culture, is an extremely important part of teenagers' lives.

TRUE
FALSE

2. In younger age groups (19-24) still few men show interest in fashion.

TRUE
FALSE

3. Some of the top reasons for young people's interest in fashion are celebrities, the desire to rebel and peer pressure.

TRUE
FALSE

4. Fashion choreographer and fashion director are professions that have become relatively recently identifiable.

TRUE
FALSE

5. Fashion for young people is an opportunity for their own business.

TRUE
FALSE

Drag the words

environmental , devices , individuals, story, brands

Gen Z appreciates brands that can help them refine what they see in themselves. They value that can help them co-create their own unique..... and connect with them as unique.....Gen Z teens also value brands that support diversity, inclusion and protection. They expect brands to prioritize interacting with customers on mobile and social

Answers:

¹⁴ Favillier, Polish brand <https://favillier.blog/2018/07/27/wlasna-marka-odziezowa-jako-kobiocy-pomysl-na->

[biznes/](#)

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Gen Z appreciates brands that can help them refine what they see in themselves. They value **brands** that can help them co-create their own unique **story** and connect with them as unique **individuals**. Gen Z teens also value brands that support diversity, inclusion and **environmental** protection. They expect brands to prioritize interacting with customers on mobile and social **devices**.

Multiple choice

1. What brand needs to be in order to effectively meet the demands of young people?
 - A. **It must support and promote diversity**
 - B. It must be flashy and recognizable
 - C. **It must be present and developed on the web**
 - D. All answers are correct
2. What should be done in the inch of interest of the young audience in a particular fashion brand?
 - A. Placing as many ads as possible online - social media, Gen Z-targeted websites, etc.
 - B. **Creating personalized content, for example, in apps that young people use on a daily basis**
 - C. Focusing on promoting the brand only in stationary stores or other places where the items offered by the brand are available
 - D. **Involvement of appropriately selected influencers in the promotion campaign**
3. What is the truth about the campaign that NIKE launched?
 - A. **The brand has engaged famous people to further publicize the campaign's message**
 - B. **Campaign donated a large amount to organizations working for equality**
 - C. By doing so, they wanted to show that fashion gives young people a chance for a successful career
 - D. Thanks to the campaign, the company has doubled the number of customers from the Gen Z
4. Which statements apply to the fashion industry?
 - A. Increasingly fewer people are choosing to associate their future with this industry because they do not see opportunities for growth there
 - B. **In this sector, the number of jobs to be filled is growing with each passing year**
 - C. **For many decades, the way for a brand to succeed inside the industry has been to target the young market**
 - D. **This industry is one of the fastest growing branches of the contemporary economy**

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How brands can reach representatives of Gen Z generation

<https://www.spellbrand.com/5-killer-ideas-to-market-your-clothing-brand> - Tips for advertising your fashion brand

<https://thefashionbusinesscoach.com/blog/attractcustomers> - Tips on fashion marketing and attracting customers to your brand

<https://www.brandingmag.com/2019/08/27/the-gen-z-opportunity-brands-must-walk-the-talk/> -

An article about the changes that young people are making to the fashion industry

1. SUB-MODULE TITLE

1.3 Slow fashion vs cheap fashion

2. INTRODUCTION (SUB-MODULE DESCRIPTION)

From 2000 to now, global apparel production has doubled. The average consumer buys 60 percent more shirts, pants or jackets each year than at the beginning of the 21st century¹⁵. Fast-fashion dominates the fashion industry - it makes clothing prices more affordable for consumers, and this is due to production costs. Clothes are made at the cheapest cost, which quickly deteriorate, and temporary trends make them go out of fashion even faster. Unfashionable and tattered clothing from all over the world languishes in landfills by the ton, and the paints and chemicals used to create colours and prints, pollute the environment. Slow fashion is the complete opposite of fast fashion. It advocates buying better quality clothing that will last longer, and values the fair treatment of people, animals and the planet along the way.

3. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)

Upon completing this sub-module, you should:

- be able to identify the difference between slow fashion and cheap fashion,
- be familiar with the pros and cons of slow and fast fashion and be able to compare them on different levels,
- have knowledge about the environmental and social impact of cheap fashion, and
- demonstrate how to live according to the slow fashion model.

LEARNING CONTENT

¹⁵ Vice "Fashion Adalah Industri Paling Banyak Menghasilkan Polusi di Dunia"

<https://www.vice.com/id/article/ywq8qm/fashion-adalah-industri-paling-banyak-menghasilkan-polusi-di-dunia>

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Fast (cheap) fashion and its negative aspects

The problem with fast fashion is that it is based on an unsustainable business model that uses unethical and polluting solutions to cut costs. Examples of areas are:

- Environmental impact of fast fashion

The environmental impact is huge: chemical fibres such as polyester are often used in production. They are certainly harmful to the environment, as these fibres are made from petroleum, which emits a significant amount of CO₂ during production. But it doesn't stop there: chemicals also cause water pollution. When clothes are washed in the washing machine, these microfibers are released into the ocean in large quantities as microplastics.

- Ethical issues, violation of human rights

The industry is known for underpaying garment workers and even relying on child labour factories. Workers in garment factories face abuse, including earning unsustainable wages, harassment and poor working conditions. Some of these conditions have resulted in fatal fires and accidents.

- The problem with the fast fashion model

The real problem with fast fashion is its whole business model, because it encourages people to see their clothes as disposable¹⁶.



https://pl.freepik.com/darmowe-zdjecie/mloda-kobieta-otoczona-stosami-ubran_19510644.htm

"The movement works towards creating an industry that benefits the planet and all people." - Kate Fletcher.

Slow fashion

The slow fashion movement was started in 2007 by Kate Fletcher, an English activist, writer, designer and professor of sustainability. In an article for The Ecologist, she wrote: „ Slow fashion is about designing, producing, consuming and living better. Slow fashion is not time-based but quality-based (which has some time components). Slow is not the opposite of fast – there is no dualism – but a different approach in which designers, buyers, retailers,

and consumers are more aware of the impacts of products on workers, communities, and ecosystems”¹⁷.

Nevertheless, this concept was significantly influenced by an accident at a textile factory in Bangladesh in 2013. The building, which did not meet basic safety rules, collapsed on thousands of workers who had previously reported poor conditions in their workplaces. It was this event that sparked a debate about all the negative social and environmental aspects of fast fashion and brought attention to alternative slow fashion¹⁸.



<https://unsplash.com/photos/TS--uNw-JqE>

Slow fashion is the antithesis of fast fashion. A term describing a sustainable and conscious approach to fashion production and consumption. It is a movement in textiles and clothing industry that respects the well-being of the people making our clothes, their impact on the environment and the planet as a whole. Clothes are mostly made of **eco-friendly** and even recycled materials. Clothing is generally more durable and of higher quality. Environmentally friendly production is also taken into account.

Slow Fashion values high quality materials and environmentally friendly production. Such products are usually made from natural fibres such as cotton, and are often made by local manufacturers to shorten the supply chain. Local partners offer much better wages and working conditions for their workers than factories in developing countries.

Slow Fashion is gaining people's attention thanks to the growing awareness of the fashion industry's influence. An important part of this is a change in the climate: more and more brands are emerging to adopt the Slow Fashion approach. The value placed on garments made to a high standard will last a very long time and will not lose shape or colour after a

¹⁶ ProjectCECE "The Problem with Fast Fashion: Cheap Clothes, High Hidden Costs"

<https://www.projectcece.com/blog/400/problem-with-fast-fashion/>

¹⁷ Panaprium "An Introduction To Slow Fashion And Why It Matters"

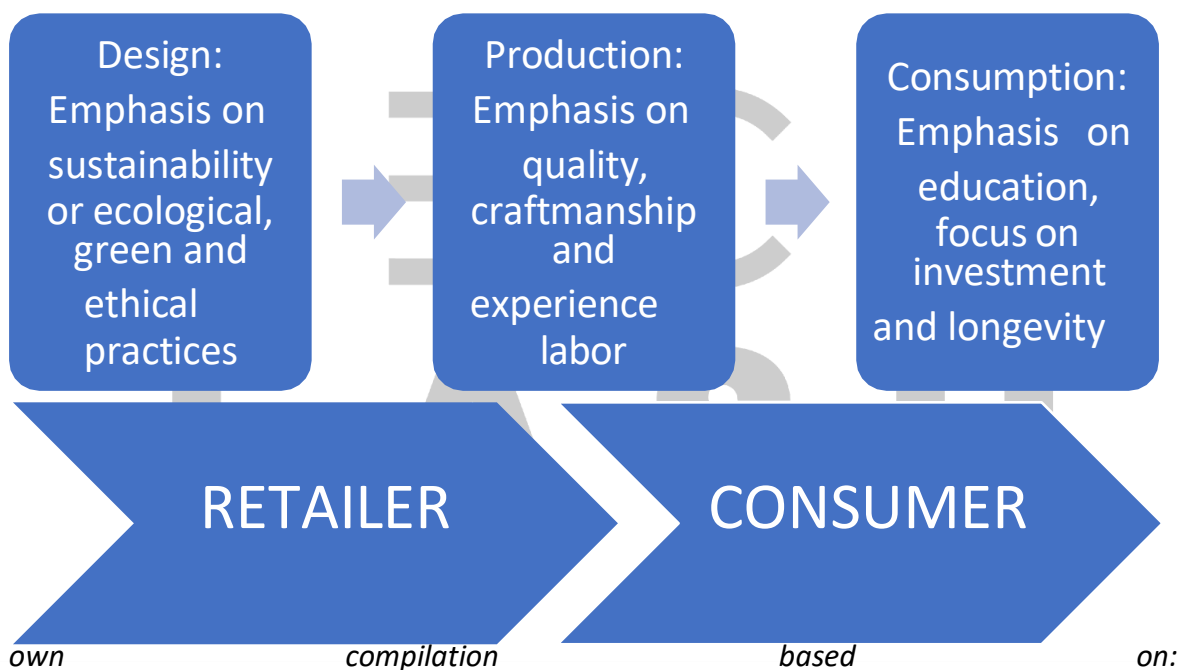
<https://www.panaprium.com/blogs/i/introduction-slow-fashion>

¹⁸ The eco hub "What Is Slow Fashion & Why You Should Join The Movement?" <https://theecohub.com/what-is-slow-fashion/>

few washes¹⁹. Moreover, slow fashion, like **ethical and sustainable fashion**, or conscious fashion, is about promoting sustainable sourcing of materials, fair production of quality clothing and more responsible consumption.

Slow fashion is of paramount importance today to minimize the amount of water and energy used during the average life cycle of a garment, from sourcing raw materials and production to distribution, consumption and disposal. It is also important to reduce plastic waste by using recycled or biodegradable packaging materials. The production of synthetic fabrics and the transportation of goods from manufacturers to customers results in excessive plastic waste. Many garment manufacturing processes are very harmful to the environment. Most fabric manufacturing procedures such as bleaching, dyeing and treatments are highly toxic²⁰.

Framework model for the slow - fashion process



http://repository.ubaya.ac.id/36242/1/Tenun%20Sesek%20_N%20Juniati%2C%20revised%20INCITE.pdf

Examples of key slow fashion philosophies include:

- Moving from quantity to quality, both in production and consumption. This does not mean continuous growth or the accumulation of more.
- Production that is environmentally friendly, incorporating low-waste processes and avoiding harmful chemicals.
- Provide employees with decent wages and healthy working conditions.
- Production of collections in small batches or on an advance sale basis to avoid unsold inventory.

¹⁹ Sanvt "Fast Fashion vs. Slow Fashion" <https://sanvt.com/blogs/journal/fast-fashion-vs-slow-fashion>

²⁰ Panaprium "An Introduction To Slow Fashion And Why It Matters"

<https://www.panaprium.com/blogs/i/introduction-slow-fashion>

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- A simple supply chain in which raw materials and labour are not dispersed around the world. Uses local materials as well as employs local labour.
- Transparency and integrity in supply chain and practices²¹.

Comparison of fast fashion with slow fashion

Fast Fashion vs Slow Fashion		
Consumption	A lot of clothes are bought in a short period of time, yet the purchased items are not worn for a long time, as they quickly go out of fashion, and also their quality leaves much to be desired.	Attention is paid to sustainable consumption, so only what is really necessary is bought. Environmentally friendly materials and good manufacturing are valued.
Materials	Fast Fashion clothes are usually made of synthetic fibres.	Slow fashion clothes are made from natural fibres such as cotton or recycled fabrics.
Production	Production usually takes place in countries where standards are not met. In addition, workers do not receive fair wages.	Production either takes place in countries where human rights, standards and fair wages are respected.
Water	Fast Fashion is responsible for much water pollution through the use of chemicals and microplastics.	The water is often recycled and filtered so that no contaminants enter the wastewater
CO2	A polyester T-shirt causes 9kg of CO2 during production.	A cotton T-shirt causes 2kg of CO2 in production.
Waste	80% of all clothing is thrown away, only 1% of clothing gets recycled.	Clothes can be repaired, sold, exchanged or donated to create a circular economy. In this way, waste is reduced ²² .

Facts about fashion waste and sustainability:

Fact 1: The apparel and footwear industry accounts for 8% of global greenhouse gas emissions, and fashion is the third most polluting industry in the world.

Fact 2: If this trend continues, the fashion industry could use up more than 26 percent of the "carbon budget" associated with a 2 °C path by 2050.

Fact 3: It is estimated that less than 1% of the material used to make clothing is recycled into something more. That's about \$100 billion worth of material wasted annually.

Fact 4: Fashion waste is expected to grow to 148 million tons by 2030.

Fact 5: Consumer attitudes toward ethical fashion are increasingly favorable. 60% of millennials say they want to shop more "sustainably".

Fact 6: Many brands are turning to more sustainable production methods. As of May 2018, 12.5% of the global fashion market has committed to making changes by 2020.

²¹ Earth org "What Is Slow Fashion and How Can You Join the Movement?" <https://earth.org/what-is-slow-fashion/>

²² Sanvt "Fast Fashion vs. Slow Fashion" <https://sanvt.com/blogs/journal/fast-fashion-vs-slow-fashion>

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Fact 7: According to the United Nations Economic Commission for Europe, the fashion industry generates 20% of the world's wastewater.

Fact 8: Only 15% of consumers recycle used clothing²³.

How to become a conscious consumer by using slow fashion

4 ways to start participating in slow fashion or being conscious of what you buy:

1. Consider a capsule closet.

Building a small but well-chosen closet is the first step to joining the slow fashion movement. By definition, capsule closets have fewer items in them. Instead of relying on fast fashion clothes that you throw away after a season, capsule closets consist of items that will last for years, are of good quality.

2. Take a step-by-step approach to transforming your closet.

Take a gradual approach to the transformation. Swear off buying from certain retailers or cut back on purchases, slowly replacing clothes with more durable and timeless ones.

3. Sell, donate and recycle your old clothes.

Resist the temptation to throw old clothes in the garbage. Depending on the condition of the clothing, take extra time to recycle, sell or donate.

4. Buy from sustainable brands.

When buying new clothes, check first and make sure you buy from sustainable brands²⁴.

5. Take care of and repair what you own so that it serves longer.

A repair is definitely more environmentally friendly than throwing clothes in the trash.

6. Sew your own clothes.

Sewing clothes on your own involves more time spent on creating a new item, and with that comes greater accuracy and better quality. Nevertheless, the most important thing is that there are unique and original clothes.

7. Buy from second-hand stores.

Shopping in second hand stores is an ecological solution. It allows you to give a second life to your clothes, plus it is not uncommon to find very good quality clothing²⁵.

²³ Rubincon "14 Facts About Sustainable Fashion" <https://www.rubicon.com/blog/14-sustainable-fashion-facts/>

²⁴ Clever Girl Finance "Slow Fashion VS Fast Fashion: Why Slow Fashion Matters!"
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²⁵ Wendy Priesnitz "Is Your Slip Showing? The Problem With Cheap Fashion"
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https://www.freepik.com/free-photo/young-beautiful-seamstress-happily-looking-camera-while-using-scissors-work-with-fabric-modern-sewing-workshop_23737314.htm#query=sewing&position=10&from_view=search&track=sph

Some of the characteristics of the slow fashion brand:

- Clothes made of high-quality, durable materials, such as linen,
- Clothes are more timeless than fashionable,
- Usually sold merchandise in smaller (local) stores rather than in large chain companies,
- Clothing sold and produced locally,
- A few specific styles in the collection that are introduced at most two or three times a year, or in a permanent non-seasonal collection,
- Usually made to order to reduce unnecessary production²⁶.

5. CASE STUDY

Context: SHEIN – a trendy online store or a company causing negative environmental impacts.

Description: A global online fashion retailer recommended by influencers and tiktokers - SHEIN is mentioned here. You could make the case that all fast fashion companies are bad, yet SHEIN is in many ways much worse. In this case study, we will refer to SHEIN in the context of negative environmental effects, which have been confirmed based on the materials used. The research looks at sustainability, specifically environmental effects such as high-water consumption or disruption of the ecosystem and disposability.

As of January 2021, SHEIN had a total of 202,663 garments and 55 clothing materials. Among the 55 materials, 20 are non-biodegradable, 28 materials are biodegradable, and the rest are difficult to determine.

The top 10 percent of the 55 fabrics sold on the SHEIN website are polyester at 61 percent, cotton at 10 percent, viscose at 4 percent, acrylic at 4 percent, nylon at 4 percent, satin at 3 percent, mesh at 2 percent, velvet at 2 percent, PU leather at 1 percent, rayon at 1 percent, and sequins at 1 percent.

²⁶ Good on you "What Is Slow Fashion?" <https://goodonyou.eco/what-is-slow-fashion/>

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The first problem is water consumption. Polyester alone occupies nearly 75% of the apparel materials used by SHEIN. However, when it comes to cotton, even though it makes up only 10% of the fabrics sold by SHEIN, it is the second most used material on the website and is known to stir up controversy. Although organic cotton uses more water per kilogram of clothing than polyester, it is biodegradable. When cotton is produced inorganically, it uses more than 80 times more water than organic cotton.

In a statement, SHEIN says it has introduced innovative ways to reduce its environmental impact through "thermal digital transfer and digital direct printing technologies" to reduce water consumption during production. This statement ignores not only water waste from specific materials, but water waste from anything other than printing. Environmental claims are not enough. They are multi-faceted, and while a 50% reduction in polyester wastewater is good, it ignores all the other problems associated with polyester production. These production processes are very harmful to the environment and cause many negative impacts, which leads to another problem, the disruption of ecosystems.

The next problem is disruption of the ecosystem. SHEIN says it is switching to more sustainable materials, such as recycled polyester. However, this material is not sustainable. We must also remember that polyester is a non-biodegradable material and is responsible for more clothing than all other materials combined. Polyester, whether recycled or not, remains a non-biodegradable material and accounts for 61% of the total number of garments. If we consider the actual amount of sustainable materials used, only 8 out of 55 materials are recycled or organic, accounting for less than .0039% of the total number of garments sold. The way these materials are produced can lead to disruption of ecosystems. Several key ecosystems have been affected by water diversion and pollution, as seen in the cotton crop.

The third problem addressed in this case study is the issue of disposability. Disposability is a philosophy that promotes the acceptance of inexpensive clothing with a short lifespan. In a statement, SHEIN says it is working to develop solutions for "garment recycling programs and other initiatives to reduce post-consumer waste" and avoid overproduction. Three aspects emerge from this statement: the establishment of recycling programs, the desire to reduce post-consumer waste, and the avoidance of overproduction. These three problems indirectly and counterintuitively address the issue of disposability. Fast fashion clothing has an extremely low price and consumption, mass uniqueness and disposability go hand in hand as they represent the fast fashion cycle. The fast fashion industry appeals to consumer consumption through mass uniqueness, while profiting from the impact of disposability that comes after wear and tear. The result is a continuous cycle of increased consumption, mass integration and disposability. The way disposability is created is through the acceptance of cheap materials. Instead of creating solutions that favour disposability such as recycling programs that also benefit from it, SHEIN should be producing clothes that are long-lasting and more valuable.

Lesson learnt: SHEIN is not authentic about sustainability. It is well known that the fast fashion industry harms the environment. High levels of consumption, mass integration, water consumption and disposability create negative environmental impacts and disrupt ecosystems. The shift to slow fashion is therefore the most authentic form of the sustainability movement²⁷.

6. PRACTICAL ACTIVITIES



²⁷ Isabel Agatha Millward-Pena "From fast fashion to sustainable slow fashion"

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True/false questions

1. The hallmark of fast fashion is that clothing is more timeless than fashionable.

TRUE

FALSE

2. You can start participating in the concept of slow fashion by taking care of the clothing you own so that it lasts as long as possible.

TRUE

FALSE

3. Slow Fashion clothes are usually made of synthetic fibres.

TRUE

FALSE

4. The environmental impact of slow fashion is huge: chemical fibres, such as polyester, are often used in the production of. TRUE

FALSE

5. Workers in fast fashion garment factories face abuses, including earning unsustainable wages, harassment and poor working conditions.

TRUE

FALSE

Drag the words.

local, fast fashion , sustainable, slow fashion, large, eco-friendly

1. is a term that describes a sustainable and conscious approach to fashion production and consumption.

2. is losing people's attention thanks to growing awareness of the fashion industry's influence.

3. A characteristic feature of slow fashion that usually the goods are sold in stores, rather than in chain companies.

4. Slow fashion pays attention to consumption, so only what is really necessary is bought.

5. In slow fashion, clothes are mostly made of and even recycled materials.

Answers:

1. **Slow fashion** is a term that describes a sustainable and conscious approach to fashion production and consumption.

2. **Fast Fashion** is losing people's attention thanks to growing awareness of the fashion industry's influence.

3. A characteristic feature of slow fashion that usually the goods are sold in **local** stores, rather than in **large** chain companies.

4. Slow fashion pays attention to **sustainable** consumption, so only what is really necessary is bought

5. In slow fashion, clothes are mostly made of **eco-friendly** and even recycled materials.

Single choice set.

1. What is NOT a fact about fashion waste and sustainability?
 - A. Many brands are turning to more sustainable production methods. As of May 2018, 12.5% of the global fashion market has committed to making changes by 2020.
 - B. Fashion waste is expected to grow to 148 million tons by 2030.
 - C. **Only 10% of consumers recycle used clothing.**
 - D. The apparel and footwear industry accounts for 8% of global greenhouse gas emissions, and fashion is the third most polluting industry in the world.
2. Which year do we take as the start date of the slow fashion movement?
 - A. 2006
 - B. 2011
 - C. 2013
 - D. **2007**
3. A feature of the slow fashion brand is NOT:
 - A. Clothes made of high-quality, durable materials, such as linen
 - B. Usually made to order to reduce unnecessary production
 - C. **Clothing is more fashionable than timeless**
 - D. Clothing sold and produced locally
4. What is the correct order in the slow fashion process?
 - A. Production -> design -> consumption
 - B. **Design -> production -> consumption**
 - C. Materials -> production -> consumption
 - D. Design -> materials -> production
5. Which statement applies to fast fashion?
 - A. **Only 1% of the clothes produced are recycled**
 - B. Clothes are made from natural fibres such as cotton or recycled fabrics
 - C. Clothes can be repaired, sold, exchanged or donated to create a circular economy
 - D. Valuable are environmentally friendly materials and good manufacturing

7. REFERENCES



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Earth org "What Is Slow Fashion and How Can You Join the Movement?" <https://earth.org/what-is-slow-fashion/>

Good on you "What Is Slow Fashion?" <https://goodonyou.eco/what-is-slow-fashion/>

Isabel Agatha Millward-Pena "From fast fashion to sustainable slow fashion" <https://scholarworks.lib.csusb.edu/cgi/viewcontent.cgi?article=2639&context=etd>

Panaprium "An Introduction To Slow Fashion And Why It Matters" <https://www.panaprium.com/blogs/i/introduction-slow-fashion>

ProjectCECE "The Problem with Fast Fashion: Cheap Clothes, High Hidden Costs" <https://www.projectcece.com/blog/400/problem-with-fast-fashion/>

Rubicon "14 Facts About Sustainable Fashion" <https://www.rubicon.com/blog/14-sustainable-fashion-facts/>

Sanvt "Fast Fashion vs. Slow Fashion" <https://sanvt.com/blogs/journal/fast-fashion-vs-slow-fashion>

The eco hub "What Is Slow Fashion & Why You Should Join The Movement?" <https://theecohub.com/what-is-slow-fashion/>

Vice "Fashion Adalah Industri Paling Banyak Menghasilkan Polusi di Dunia" <https://www.vice.com/id/article/ywq8qm/fashion-adalah-industri-paling-banyak-menghasilkan-polusi-di-dunia>

Wendy Priesnitz "Is Your Slip Showing? The Problem With Cheap Fashion" <https://www.life.ca/naturallife/1302/problem-with-cheap-fashion.htm>

8. EXTERNAL RESOURCES

<https://rareandfair.com/blogs/the-slow-scoop/fast-fashion-vs-slow-fashion> - The article compares what fast and slow fashion is, how it came to be, and the effects on the environment. It analyses the advantages and disadvantages of slow and fast fashion, and gives an interpretation of why fast fashion is so popular. The article also gives advice on how to implement yourself in the concept of slow fashion.

<https://betterworldapparel.com/learn/fast-fashion-vs-slow-fashion/> - The 'better world apparel' website describes what fast fashion is, and what environmental and social damage fast fashion causes. The article compares what slow fashion is and what we can list its benefits.

<https://www.thegoodtrade.com/features/fair-trade-clothing> - The article describes 35 ethical clothing brands that are against fast fashion. The site will help people who want to choose sustainable brands.

MODULE 1 Worksheet

Giveaways:

1. In Europe, the textile and apparel sector is a powerful manufacturing industry as every stage of the production chain is or can be located in the EU. Moreover, many people in the fashion industry are self-employed, and indeed there is a growing trend not only in fashion, but in general, to be financially active as a self-employed person.
2. The fashion and textile industry has great potential, but a prerequisite for the development of this sector is the effective cooperation of different institutions. Moreover, if you engage with a customer at a young age, the likelihood that they will continue to use the brand for the rest of their lives is really high.
3. The problem with fast fashion is that it is based on an unsustainable business model that uses unethical and polluting solutions to cut costs.

Activity for self-reflection:

Read the following statements and decide which can be associated with **slow fashion** and which with **fast fashion**.

- A. Only 1% of the clothes produced are recycled.
- B. Clothes are made from natural fibres such as cotton or recycled fabrics.
- C. Clothes can be repaired, sold, exchanged or donated to create a circular economy.
- D. Valuable are environmentally friendly materials and good manufacturing.

Case study:

Boochen - the original cuts and designs of swimwear, topped off with a more planet-friendly version. This is because the brand's products are made from, among other things, Econyl, a material created from waste - including fishing nets, pieces of nylon or carpets. The brand also mentions on its website that it is in the process of working on making better use of leftover materials and creating a swimwear recycling system.

Find out more in Module 1 through the online cooperative platform <https://tecofash.erasmus.site/>

Structure of the module:

Module 2: Sustainable business management in the fashion industry

1.1. HISTORY OF SUSTAINABILITY AND SDG, SUSTAINABLE BUSINESS PRACTICE

A brief history of sustainability and the SDG

Institutional support towards fashion sustainability: EU strategy for sustainable and circular textiles

Sustainable business practice into practice

1. Definition of a sustainable business practice
2. The Sustainable Development Goals and their application
3. Circular economy principles
4. Circular Economy system diagram
5. Future Trends

Case study: ENTeR interreg network.

Worksheet: Material cycles for textile waste

1.2 MAIN FASHION BUSINESS MODELS AND THEIR IMPACT

Short history of the textile/ fashion industry until nowadays business models

The globalised Textile supply chain and its impact

Main Fashion business strategies and their sustainable impact

1. Fast and ultra-fast fashion
2. Real-time fashion retail
3. Luxury fashion
4. Functional brands
5. Slow fashion

Corporate sustainability reporting

Case study: Nike's forced labour scandals

Worksheet: traceability in the supply chain

1.3 SUSTAINABILITY APPLIED TO FASHION SMEs: BUSINESS STRATEGIES AND ECO-SOLUTIONS

Major circular trends and business opportunities

Areas of application for the fashion business to become circular

Main changes in business models in the field of circular economy

The eco-design approach in fashion

Case study: Ternua

Worksheet: Education and behavioural change

1. MODULE TITLE**Module 2: Sustainable business management in the fashion industry****2. SHORT MODULE DESCRIPTION**

The objective of the “Sustainable business management in the fashion industry” module is to introduce the learners to those this major concept, which englobes an introduction to the Sustainable Development Goals as well as to circular economy principles, that will reinforce the environmental, economic, and social sustainability of a fashion business. It is also aimed at providing strategic elements that can support the fashion company in the implementation of such policies at the business level.

By completing this module, on the one side, the learner will have a basic knowledge of what are the SDG of the UN, and the major policies related to sustainable development. We will review the dominant business models in the fashion industry, and then, the learner will have the ability to place that knowledge in a business context to integrate those sustainable and social elements in a company.

3. TOPICS FOR COLLABORATIVE FORUM

Provide here at least 2 topics that will be in the forum:

1. SDG and fashion industry: what can be done in line with SDG nº 8 (Decent work and economic growth) and nº9 (industry, innovation, and infrastructure)?
2. Why is fast fashion out of fashion? Share your opinion

F A S H



1. SUB-MODULE TITLE
2.1. HISTORY OF SUSTAINABILITY AND SDG, SUSTAINABLE BUSINESS PRACTICE
2. INTRODUCTION (SUB-MODULE DESCRIPTION)
Sustainability is not a new concept, however, the awareness raising on sustainable business practices is still at an early stage, and policies toward the sustainable objective still lack coercion. In this section, we will review the main policies and texts of references at global and EU level and that enhance the sustainability of the business practice. In particular, we will explore the new EU strategy for sustainable and circular textiles. Then, we will intend to provide a definition of a sustainable textile business practice.
3. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)
<p>Upon completing this sub-module, you should be able to do the following:</p> <ul style="list-style-type: none"> - Understand better the concept of sustainability in a historical context - Know the main policies and documents of reference in terms of sustainability - Have an idea of the main policies at sector level for a sustainable fashion production and distribution - Have a first idea of the meaning of sustainable business applied to the fashion industry.
4. LEARNING CONTENT
<p>A brief history of sustainability and the SDG</p> <p>The first interest in the environment as a political stake appeared for the first time in the 70's, with the organisation of the first "Earth Summit" in Stockholm in 1972, leading to the Declaration of the United Nations Conference on the Human Environment (1972). Then, we must wait until 1992 to see the organisation of the second "Earth Summit" organised in Rio, where the Rio Convention was adopted (also called the convention on biological diversity), introducing the precautionary principle and Agenda 21. In 1997, the conference of Kyoto on climate change marks a turning point in international policies with the beginning of the negotiations of the Kyoto protocol about the reduction of CO2 emissions. This protocol was finally adopted and entered into force in 2005, after 8 years of negotiations. New "Earth Summits" and international conferences were held during the last decade (2009 – Conference of Copenhagen on Climate, 2010, Conference of Cancún on Climate), 2012 Conference of the United Nations on Sustainable Development in Rio, etc.) One of the most important was the International Conference on Climate Change - COP21 organised in Paris in 2015. During this conference, world leaders agreed on Agenda 2030, a set of 17 Sustainable Development Goals²⁸ and 169 targets proposed by the United Nations, which establishes a plan to achieve the Goals in 15 years. The Sustainable Development Goals (SDGs) constitute a universal call to action to end poverty, protect the planet and improve the lives and prospects of people around the world.</p>

²⁸ <https://sustainabledevelopment.un.org/?menu=1300>

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²⁹ Link for the edition of the graph:
https://www.canva.com/design/DAEwov3lpkU/yo8ugVtVguZq1OmGggDSVA/edit?utm_content=DAEwov3lpkU&utm_campaign=designshare&utm_medium=link2&utm_source=sharebutton



Source: [UN](https://www.un.org/sustainabledevelopment/)

In January 2019, the European Commission published the *Reflection document Towards a Sustainable Europe in 2030*, which is presented as the first step for a future European strategy for the global implementation of the 2030 Agenda. This document makes clear allusions to the role that companies could play toward sustainable development.³⁰ In this publication, the European Commission expressly acknowledges that companies will have an essential role to play in the transition toward sustainability: “*our companies are already at the forefront compared to its world competitors*”. However, it makes a constant call to action, as there is a lot of scope for improvement. To work on the priorities set, the EU mentions in this document the so-called horizontal instruments, which are areas of action that can accelerate the transition towards sustainability in the regions. Some of the proposals are closely related to the business sector, such as technology, innovation, and digitalization, and others make direct reference to companies, such as social responsibility and new business models. The Commission plans to give companies a vital role, considering their high impact capacity and their efforts in accountability, as demonstrated by the fact that in 2017 78% of the world's leading companies already included social responsibility criteria in their annual reports.

For now, the level of coercion is still low, and incentive measures are chosen to move toward sustainability. Among the main measures contemplated by the EU is the adoption of incentives for those companies that integrate the Sustainable Development Goals in their activities, the promotion of business standards of conduct such as the Guiding Principles on

³⁰ Reflection Paper towards a Sustainable Europe by 2030. European Commission. COM(2019)22 of 30 January

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Business and Human Rights, or the promotion of companies and social entrepreneurs. In addition, the report highlights important opportunities for markets:

- the circular economy can generate a net economic benefit of 1.8 trillion euros in the regions where it is implemented and could create more than a million new jobs until 2030;
- Renewable energies can lead to the creation of 900,000 jobs until the same year.

Institutional support towards fashion sustainability

1. EU strategy for sustainable and circular textiles

The global movement towards sustainability described in the first section is now to be declined at the industrial and sector levels. The European Union recognises the Textile industry (including clothing and fashion, but also furniture, medical equipment, vehicles, etc.) as having the fourth highest impact on the environment and climate change, after food, housing and mobility. Also, this institution recently launched an EU strategy for sustainable and circular textiles³¹

With this strategy, The European Commission is working on a Transition Pathway for the textile ecosystem to successfully achieve green and digital transitions and for the ecosystem to become more resilient. This is intended to be a co-creation process, in which stakeholders are invited - through a survey and workshops - to propose specific actions and work towards these common objectives.

This strategy is summarized as follows:

The European Commission's 2030 Vision for Textiles is:

- All textile products placed on the EU market are:
 - durable, repairable and recyclable
 - to a great extent made of recycled fibres
 - free of hazardous substances
 - produced respecting social rights
- "Fast fashion is out of fashion" - consumers benefit longer from high-quality textiles
- Profitable re-use and repair services are widely available
- In a competitive, resilient and innovative textile sector producers take responsibility for their products along the value chain
- Circular rather than throw-away clothes have become the norm, with sufficient capacities for recycling and minimal incineration and landfilling

³¹ https://environment.ec.europa.eu/publications/textiles-strategy_en





Image by pikisuperstar on Freepik

Also, the following key actions are declared:

- Set design requirements for textiles to make them last longer, and easier to repair and recycle, as well as requirements on minimum recycled content
- Introduce clearer information and a Digital Product Passport
- Tackle greenwashing to empower consumers and raise awareness about sustainable fashion
- Reverse overproduction and overconsumption, and discourage the destruction of unsold or returned textiles
- Propose mandatory Extended Producer Responsibility for textiles with eco-modulation of fees
- Address the unintentional release of microplastics from synthetic textiles
- Restrict the export of textile waste and promote sustainable textiles globally
- Incentivise circular business models, including reuse and repair sectors
- Encourage companies and the Member States to support the objectives of the Strategy

This strategy was officially launched in March 2022 and set objectives for the 2030 horizon. Thus, this TECOFASH course is taking place at a key moment of the development of strategic actions and policies in the field of sustainable fashion. The objective clearly is to move towards sustainable business practices.

2. Corporate sustainability reporting

We saw in the prior section that sustainable policies have a low level of coercion in Europe. However, this is slowly starting to change, and since 2014, large size companies must submit to a binding European regulation in this field, with the corporate sustainability reporting. If this regulation does not force companies towards sustainable action, it thus commits them

to increased transparency over their non-financial business practices.

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Image by rawpixel.com Freepik

The [Directive 2014/95/EU](#) – also called the Non-Financial Reporting Directive (NFRD) – lays down the rules on the disclosure of non-financial and diversity information by certain large companies. This directive applies to large public-interest companies with more than 500 employees (about 11700 companies and groups across the EU). According to this directive, companies are now obliged to publish information related to:

3. environmental matters,
4. social matters and treatment of employees,
5. respect for human rights,
6. anti-corruption and bribery,
7. diversity on company boards (in terms of age, gender, educational and professional background)

Then, in April 2021, the commission adopted a proposal for a Corporate Sustainability Reporting Directive (CSRD), which would amend the existing NFRD and extend its scope. From 2024, the CSRD directive will become mandatory for all companies having more than 250 employees, a net turnover of over 40 million euros, or total assets of at least 20 million euros.

This law has the advantage of committing companies to higher transparency on their business models, especially on non-financial topics such as sustainability. However, it does not solve everything. According to the European Reporting Lab report on current non financial reporting format and practices (2021) for instance, only 30% of apparel and textiles companies, that mostly rely on outsourced production located in regions with systemic human rights and natural resources abuse, report on these issues from a business model perspective.

Also, the EC envisages the adoption EU sustainability reporting standards for the CSRD.

Sustainable Business into practice

1. Definition of a sustainable business practice

What is a sustainable business practice? Sustainable business practices are those that allow companies to reduce their negative impacts on the environment while still allowing companies to make a profit. Starting from this definition, there is no single or standard way of turning a business sustainable. A sustainable practice can focus on very specific elements of the business, such as recycling, or be part of an entire and holistic strategy that applies to all the areas of the company, from the eco-conception to the Human Resources management, or distribution strategies. However, we can overview here some of the major references in terms of business sustainability.

2. The Sustainable Development Goals and their application

We already mentioned the SDG as the major international policy in terms of sustainability. This policy has direct influence on the business sector. The Sustainable Development Goals Business Forum, hosted by the International Chamber of Commerce, UN DESA, and United Nations Global Compact was organised for the 5th time in 2020, working specifically on the role of the business sector in the achievement of SDGs. In 2017, this Forum recognised the critical role of business in delivering on the promise of sustainable and inclusive development and declared: *“The SDGs provide all businesses with a new lens through which to translate the world’s needs and ambitions into business solutions. These solutions will enable companies to better manage their risks, anticipate consumer demand, build positions in growth markets, secure access to needed resources, and strengthen their supply chains while moving the world towards a sustainable and inclusive development path.”*

Thus, SDG is often promoted as business opportunity for companies. According to experts, achieving the global goals could open 60 market hot spots estimated at 12 trillion dollars by 2030 in business savings and revenue. At economy level, working on innovation, sustainable production and consumption, resource use and employment, will positively support the industry.

Now, implementing SDG in a business relies on very practical aspects that should be considered. The SDG Compass guides companies on how they can align their strategies as well as to measure and manage their contribution to the realization of the SDGs. This guide, developed by GRI, United Nations Global Compact, and WBCSD, presents the 5 key steps for implementing the SDG in business ([SDG Compass, s.f.](#)).



Here are some examples of actions that are relevant to bring fashion businesses closer to the SDG:

As shown in this infographic, the preliminary step for the implementation of SDG in business will be the understanding of the different existing goals.

Then, and as it is impossible to pursue all the goals at once, even if some of them can be interrelated, it is important to set priorities. For this step, SDG Compass recommend mapping the value chain of the business to identify the impact areas (for instance raw materials needed for textile production, suppliers, logistics, distribution, product use and end of life.)

Goal 5 (gender equality): Of about 60 million garment workers worldwide, 75% are women, thus, special attention to workers security, fight against pregnancy discrimination or physical and verbal abuse in the workplace are fundamental. Then you should measure these impacts by selecting appropriate indicators, and use this data collected as a baseline to define your priorities.

Once your priorities are set, you should elaborate on your goals. These goals should be associated with Key Performance Indicators that will enable you to measure your progress. **Goal 6 (clean water):** We have seen that water consumption is an important part of the pollution caused by the textile industry (dyeing, etc). Improving water management can support this goal.

Goal 12 (responsible production and consumption): Here the textile company can work on avoiding overproduction. An interesting work for instance is the one proposed by the Spanish company [Delete Wear](#), that reuse Horeca textile waste to produce new uniforms and merchandizing for this sector. This step should involve all the functions of your organisation, for instance, the R&D department, the supply chain, etc. Also, the guide recommends engaging in partnerships to reinforce the commitment.

Goal 15 (climate action): care to the agriculture in the case of natural fibres, energy efficiency in the supply chain, local production...

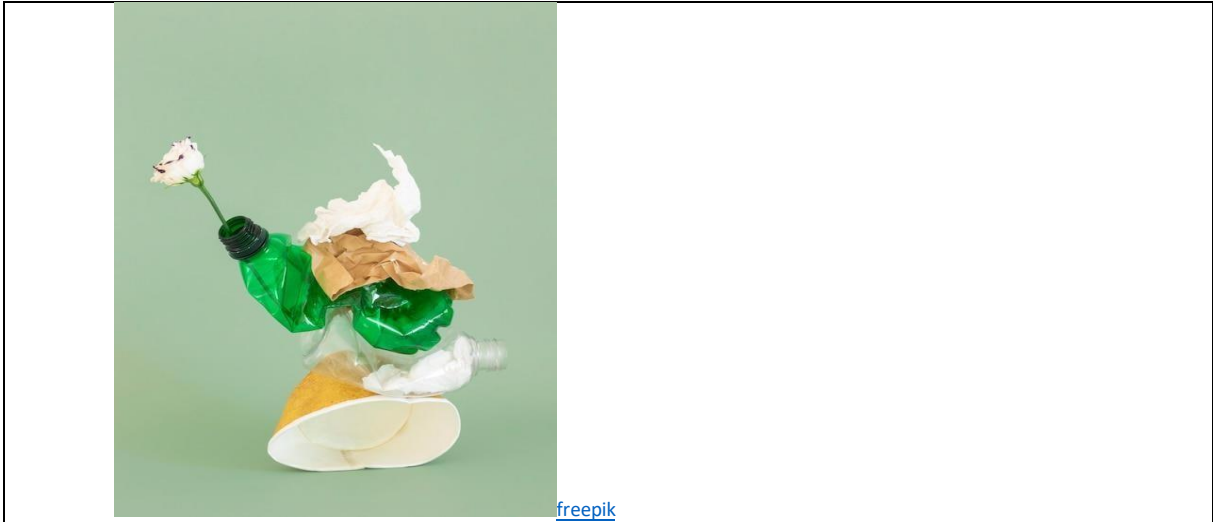
The last step is about reporting and communicating about the SDG performance.

Goal 14 (life below water): Work to avoid water contamination, but also actions to avoid release of microplastics caused during the washing of garments. Use of recycled plastics from sea to create new fashion products.

Goal 10 (reduced inequalities): make sure that you respect animal welfare. Avoid furs.



https://sdgcompass.org/wp-content/uploads/2016/05/019104_SDG_Compass_Guide_2015_v29.pdf



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3. The circular economy: definition and principles

The concept of sustainable development is supported by and encompasses the concept of the circular economy, since everything circular is sustainable, and that "sustainability" is the final destination reached after having met the objectives along the way.

The circular economy proposes an economic and productive model based on sustainability and the saving of resources and energy sources. Goods are produced, consumed, recycled, produced, and re-consumed, entering a circular life cycle. It is a recent and increasingly widespread concept based on economic principles and other aspects such as the environment. In this way, the life cycle of products is extended.

In that sense, the concept of circular economy covers all stages of the product life cycle, from product design and production process, through transformation and consumption to waste management, recycling, and reuse. For example, an initial focus on designing products that are more resource-efficient throughout their lifecycles can make products more durable.

The circular economy also demands greater efficiency in production processes and here the focus is on seeking to reduce the environmental and social impact of production, such as through promoting innovative industrial processes or more sustainable supply. Thus, the Circular Economy is a global challenge and is considered both a new paradigm and a tool essential to achieve the responsible and sustained exploitation of material and human resources, maximizing the recovery of waste.



Image by rawpixel.com on Freepik

There are a lot of definitions of circular economy, and all of them are correct even if they differ in some aspects. In general, we can point out that the circular economy is that economic model that includes all those activities aimed at:

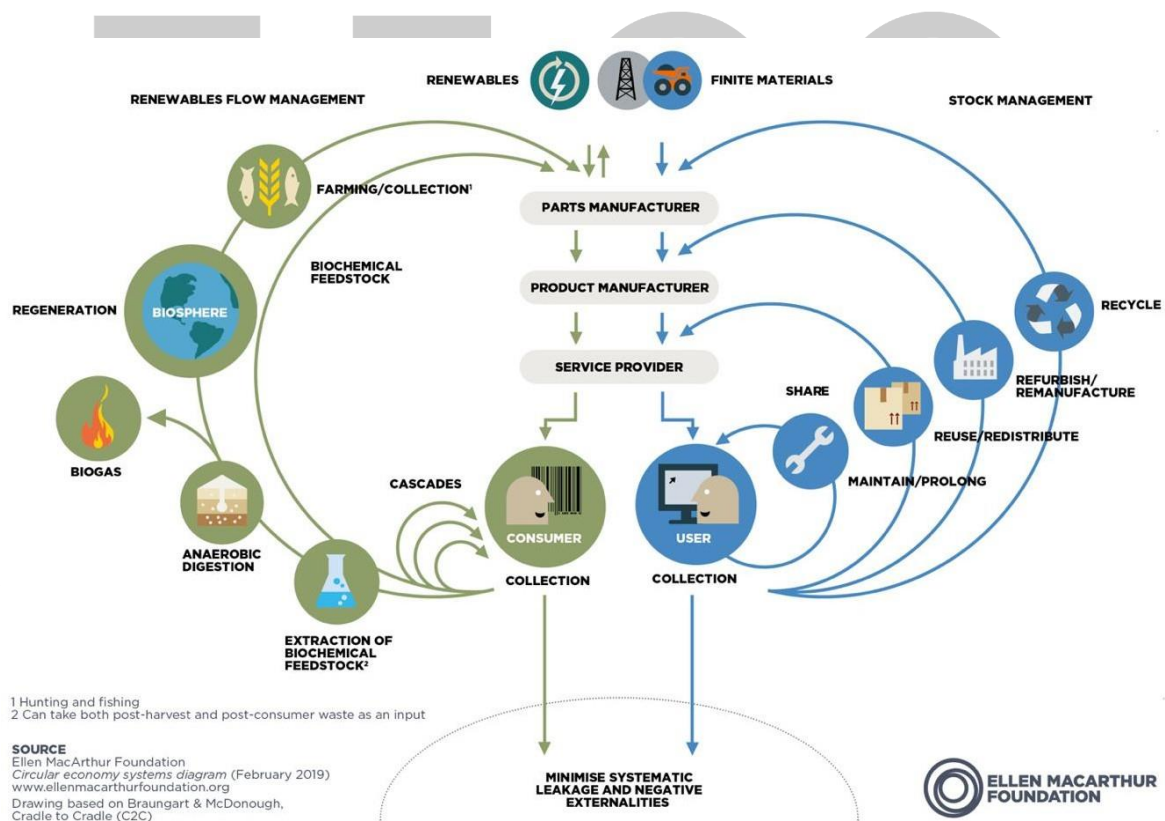
- Minimizing the extraction of raw materials

- Producing efficiently with the lowest energy consumption, both products and services, with the longest possible life cycle and the lowest carbon footprint
- Achieving a lower carbon footprint.
- Maximizing the recycling of final products. In this case, the trend, as we will see later, must be reducing the waste produced as much as possible and even eliminating it.

In this way, the circular economy is any activity whose objective is regenerative from its design and that is capable of extend the life cycle of products, offering greater value to the user.

4. Circular Economy system diagram

The circular economy system diagram, known as the butterfly diagram, created by Ellen MacArthur Foundation, illustrates the continuous flow of materials in a circular economy. Circular Systems Diagram (February 2019)



<https://ellenmacarthurfoundation.org/circular-economy-diagram>

There are two main cycles – the technical cycle and the biological cycle. In the technical cycle, products and materials are kept in circulation through processes such as reuse, repair, remanufacture and recycling. In the biological cycle, the nutrients from biodegradable materials are returned to the Earth to regenerate nature.

Technical Cycle

Different strategies can be distinguished that can be applied to all products and/or services of technical materials, such as: household appliances, machinery, cars, etc...

The most desirable under the circular model is to use those circles that are closest to the user: maintenance is always preferable to reuse, reuse before remanufacturing, and all of this is always preferable to recycling.

Biological Cycle

The dominant force in this cycle is biology. On the one hand, these products must be designed to return to the system through chemical processes such as composting.

On the other hand, we highlight the potential of the cascade effect, consisting of using a part of the main product to reuse it and create value as part of another product. E.g. cotton from a clothing fabric can be reused again as sofa padding.

5. Future Trends

Recycling must gradually lose weight in the circular cycle, as it does not maintain or increase the value of the products, and although it contributes to achieving the objectives set out by the circular economy, we must not forget the considerable energy consumption that it entails as a final stage.

In the 1990s, the Eco-design concept was born. Its diffusion is rooted in the movement of some sectors of society towards a consumption of products that are more respectful of the environment.

It arose from the need to minimize the potential environmental impacts of the product before they occur, thus changing the traditional way of proceeding in the industry, which was responsible for avoiding or repairing environmental damage once it had already been caused. In this sense, eco-design began to focus on the principle of prevention as opposed to correction.

Eco-design is called to play an essential role, given that promoting eco-design will achieve other crucial objectives such as:

- increase the durability or life cycle of products and services
- improve and reduce the cost of corrective and preventive maintenance, innovating in business models that convert products into services, and in which maintenance takes on essential value while maintaining product performance.
- increase the rates of repair and/or reuse of a product since it is generally less expensive than manufacturing it again

6. CASE STUDY

ENTeR – Expert Network on Textile Recycling

Context:

While the next section will show how the globalized textile industry have reached a dominant position in the market, we will now see that there are some enterprises around the world working hard to relate the circular economy and the biological and technical cycle with the SDGs that have a direct impact on the planet. Also, R&D is fundamental to achieve this objective. ENTeR network (Expert Network on Textile Recycling) is an Interreg European funded project that built a strategic agenda on textile waste management and recycling, to support companies that want to be active in this field.

It promotes the improvement of SMEs' competitiveness by reducing the mass production of simple products, and concentrating instead on a wider variety of products with higher added value thanks to investment and innovation, creativity and advanced technologies.

Description:

ENTeR project mention new technologies and business models that could anticipate European industry with a view to competitiveness:

- to investigate treatment technologies for textile waste (e.g. mono-fraction, homogeneous and valuable waste);
- to investigate ways of re-using of waste coming from technical textiles especially by the technical character of such textiles (e.g. heavy coated or laminated, composites with latex, paper etc.);
- to study removal of chemical substances from textile waste.

The main materials used by the fashion industry is rich in complex polymers and bio-polymers. As the traditional waste protocol of incineration or landfill disposal is being pointed out for its huge environmental impact, a research (Echeverria, 2018) proposed for instance the recovery of end-of-life textiles with the emphasis of promoting a cascading use of the fiber, for instance, the fiber bulk could be used as a low carbon alternative feedstock for building applications

Lesson learned:

The growth prospects on the European industry are mainly based on the capacity for innovation, aimed at increasing competitiveness in the context of sustainable development. This is why research is fundamental in this field.

7. PRACTICAL ACTIVITIES

1. Image choice:

Which of these Icons belong to the SDG?





Correct answer:



SDG nº13 Climate action



SDG nº1: No poverty



SDG n°4 Quality education



SDG n°12 Responsible consumption and production



SDG n°3 Good Health and well-being



SDG n°8: Decent work and economic growth

Rest of icons come from Word document and are not part of SDG.

2. Multiple choice question

Which are the main drivers of the circular economy?

- Minimizing the extraction of raw materials
- Producing efficiently with the lowest energy consumption
- Fight against poverty, good health and well-being
- Achieving a lower carbon footprint
- Eliminating the recycling
- Maximizing the recycling of final products

Correct answer:

- Minimizing the extraction of raw materials
- Producing efficiently with the lowest energy consumption
- Achieving a lower carbon footprint
- Maximizing the recycling of final products

3. Drag the words

The circular economy also demands greater _____ in _____ processes and here the focus is on seeking to reduce the environmental and social _____ of production, such as through promoting innovative industrial processes or more sustainable _____. Thus, the Circular Economy is a global challenge and is considered both a new _____ and a tool essential to achieve the responsible and sustained _____ of material and human resources, maximizing the recovery of waste.

Production
exploitation
impact
efficiency
paradigm
supply

Correct answer:

The circular economy also demands greater **efficiency** in **production** processes and here the focus is on seeking to reduce the environmental and social **impact** of production, such as through promoting innovative industrial processes or more sustainable **supply**. Thus, the Circular Economy is a global challenge and is considered both a new **paradigm** and a tool essential to achieve the responsible and sustained **exploitation** of material and human resources, maximizing the recovery of waste.

4. True/false question

Set design requirements for textiles to make them last longer, easier to repair and recycle, as well as requirements on minimum recycled content is one of the key actions of the Paris protocol

Correct answer: False (It is a key action of the EU strategy for sustainable and circular textiles).

5. True/false question

The circular economy proposes an economic and productive model based on sustainability and the saving of resources and energy sources.

Correct answer: True

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Textile Factsheet EC, 2022

https://www.interregeurope.eu/sites/default/files/2022-05/Textiles_Factsheet_EC.pdf

9. EXTERNAL RESOURCES

[https://www.futurelearn.com/info/courses/sustainable-fashion/0/steps/13562:](https://www.futurelearn.com/info/courses/sustainable-fashion/0/steps/13562)

Sustainable Fashion: Standards, Certifications and Schemes. This post offers a review of the different key certifications that apply to the fashion sector.

https://www.undp.org/sustainable-development-goals?utm_source=EN&utm_medium=GSR&utm_content=US_UNDP_PaidSearch_Brand_English&utm_campaign=CENTRAL&c_src=CENTRAL&c_src2=GSR&gclid=Cj0KCQjw-fmZBhDtARIsAH6H8qhSBAdkWdUqibNWQAFuXHOVL2Fn0CrR9XLI7nxXqxcS5FI6VAV0FwlaAgCKEALw_wcB

Presentation of the UN about the Sustainable Development Goals and the 2030 agenda

<https://ellenmacarthurfoundation.org/circular-economy-diagram>

Presentation of the butterfly diagram by the Ellen Mac Arthur foundation.



1. SUB-MODULE TITLE

2.2 MAIN FASHION BUSINESS MODELS AND THEIR IMPACT

2. INTRODUCTION (SUB-MODULE DESCRIPTION)

Nowadays textile industry is largely dominated by large-size companies that have delocalized their production in Asian countries and rely on changing collections and a fast supply chain to offer always new fashion products to demanding consumers. This model was inherited from a long tradition of international trade and the industrial revolution, which enhanced the objective of producing always more and at a low cost. In this section, we will start with a brief history of the textile industry that will help us understand the main production and distribution models that dominate the world's globalized market.

3. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)

Upon completing this sub-module, you should be able to do the following:

- Understand better the current productive model of fashion business considering the historical context
- Recognise the importance of the production and distribution factors in the textile supply chain.
- Be able to differentiate several business archetypes in the fashion industry
- Be aware of the impact that these models have from a sustainability perspective

4. LEARNING CONTENT

F A S H



Short history of the textile/ fashion industry until nowadays business models

Textile industry exists from prehistoric times. Its evolution is largely linked to technological progress and distribution roads, the most famous one being the silk road, which was the main trade road for textile products from the Roman Empire until the XVth century.

In prehistoric times, people used animal hairs or plants to make fibers. Silk, which is the only natural fiber formed of filaments that can be joined together and transformed into yarn by twisting, was introduced to China around 2600 Before Christ. The other natural fibers must be stretched and aligned parallel by combing, then transformed into a continuous yarn by spinning. The spinning wheel was mechanized in Europe around 1400, for the first important growth of the industry in Europe. Further mechanical improvements were introduced along the centuries until the textile reached the industrial revolution in the XVIII-XIX centuries. The mechanization of weaving began in 1733 with John Kay's flying shuttle, then the first steam loom created by Edmund Cartwright in 1788 accelerated the process. In France, Barthélemy Thimonnier invented the first sewing machine in 1830. In parallel, the first synthetic fibers, made from cellulose or petrochemicals were developed in the middle of the 18th century and are increasingly used alone or mixed.

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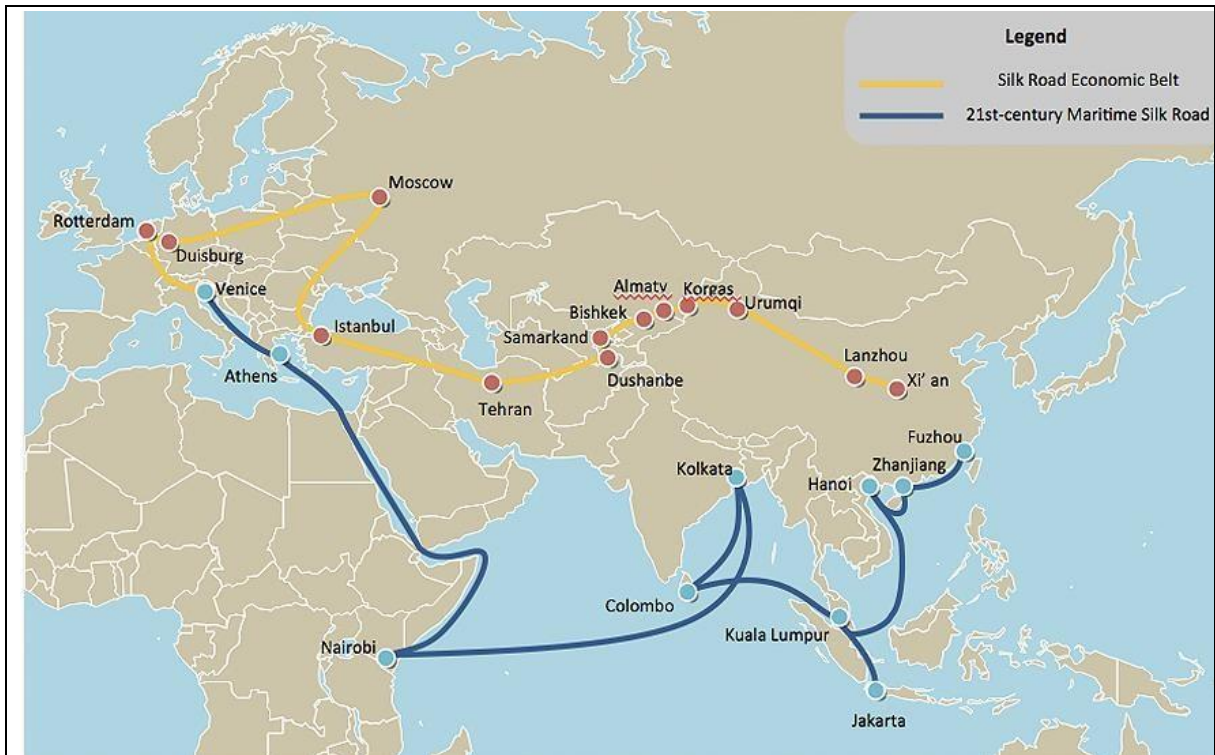
The technical progress made during the XVIII-XIX centuries not only kick-started the modern textile industry but is at the origin of the industrial revolution and economic development, as well as profound family and social changes in industrialised countries. First in the UK, then in Belgium, France, Germany and US, the industrial revolution will push most societies from agriculture and crafts towards industry and trade.



[https://en.wikipedia.org/wiki/Modern_Times_\(film\)#/media/File:Chaplin - Modern Times.jpg](https://en.wikipedia.org/wiki/Modern_Times_(film)#/media/File:Chaplin - Modern Times.jpg)

The fast industrialization of Asian countries from the 1960s and 1970s soon shatters the North-South dichotomy. Over a few decades, the geographical distribution of the production in the textile, clothing, and footwear industries has changed profoundly. While employment in this industry decreases strongly in Europe or North America, the production is delocalized in Asia and other parts of the developing world. If the industrial society was already criticized in northern countries for the modern conception of work that it developed, based on mechanical and repetitive tasks and low wages in factories, this shift of production to Asia has generally had even more negative consequences on wages and working conditions.

After the decline of the silk road, new distribution channels emerged for textile and fashion products, especially in the XX century, while old overland connections were blocked from the First World War and the cold war. Maritime transport of products started to develop thanks to the Suez Canal, which is nowadays one of the major routes of trade between Europe and Asia. In March 2021, the Suez Canal crisis, with the Ever Given ship blocking the maritime traffic during 6 days, with consequences on products supply all over the world, evidenced the importance of this trade route.



The two ways for the 'One Belt-One Route' project [yourfreetemplates] ARTICLE / Jimena Puga Gómez [\[Spanish version\]](#)

The abundance of cheap Chinese labor, together with the lack of regulatory compliance, low taxes and duties, and competitive currency practices have converted China into the world's biggest manufacturer.

Nowadays, the revitalization of the ancient Silk Road has become one of the biggest challenges for the Chinese and world economy, which englobes a revolution in the infrastructures of transport of goods, energies, technologies, and people. In particular, for China, this One-Belt-One Road is supposed to reinforce their trade supremacy over the rest of the countries.

Behind China, which exported for a value of approximately 154 billion US dollars in 2020, India is now the world's second-largest exporter of textiles and clothing, with a value of 44,4 billion US dollars in 2022, and offering employment to over 35 million people in the country.

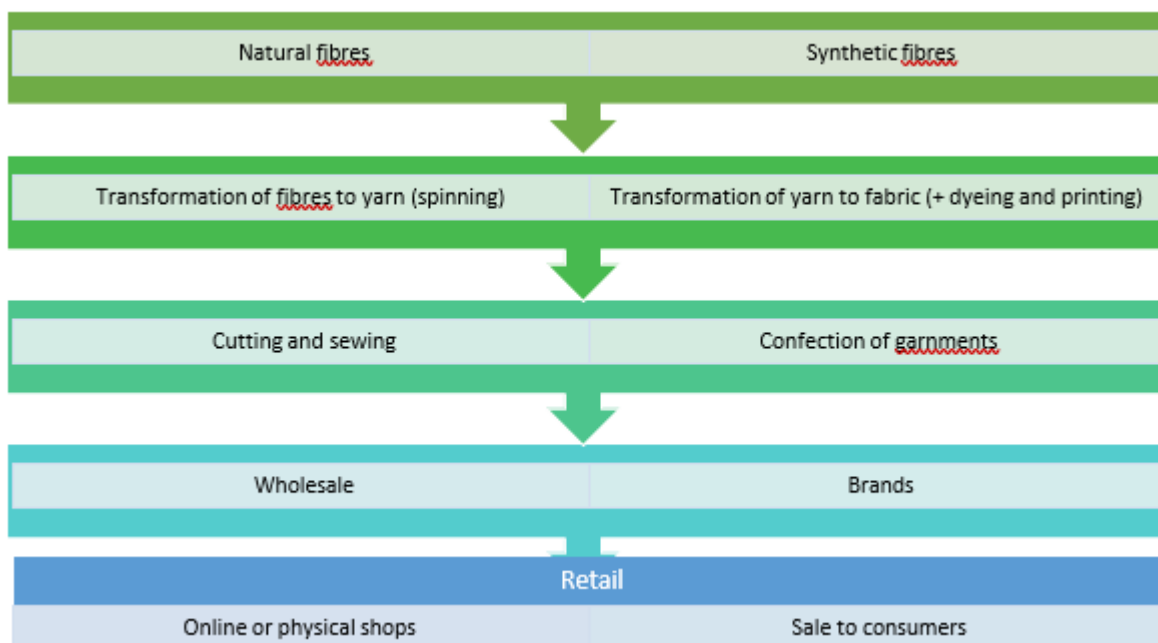
The globalised Textile supply chain and its general impact

In short, the fashion supply chain could be summarized as follows:

Despite this apparent simplicity, this supply chain is for many firms highly complex, with a large geographical widespread, extending to over 150 countries.

Textile industry is nowadays one of the most important economic activities worldwide, and provides work to great amount of population in each country, since textile products are usually marketed at a constant and massive rate. At the same time, it is a source of enormous controversy, given that it is recognized as a great polluting sector, and that this globalized industry allows constant geographical relocation, which sometimes translates into unworthy working conditions and wages.

The Textile Sector, at a global level, is generating environmental impacts mainly in five stages of the value chain:



- **Transportation of goods from distant production centers to points of consumption.** Associated logistics that generates a significant carbon footprint.
- **Consumption** and hyper-consumption derived from low cost. Impact derived from the use and washing of garments (consumption of water, energy, detergents, release of microplastics, etc.). While the global consumption raise, increased by the access of developing countries to mass consumptions models, the utilization rate of clothes decreases. Thus, another important challenge is the customer behaviour, to change the mentality of consumption from the thought of use and throw away consumption more “circular”
- **Waste Management:** Generation of waste once users get rid of garments and/or textile products. The function of the collection and management system that exists (if any) and how accessible it is for users, the type of management and destination that will be given to these residues also is an important source of important environmental impact.

This waste management question is very complex, as it applies to the entire supply chain and not only to production. It is for instance very important for the end of life of the clothes, but also during the use of the textile products by the customers: In recent years, the textile sector has been identified as one of the largest contributors to the presence of plastics in the oceans. It is estimated that around 0.5 Mt of plastics in microfibers reach the oceans annually when they are released during the washing of Plastic-based textiles such as polyester, nylon, or acrylic.

Thus, the currently existing linear system does not allow to take advantage of any type of economic benefit, it stresses the reserves in natural resource, pollutes and degrades the environment and ecosystems, and promotes important negative social impacts at a local, regional and global scale.

Additionally, the value chain is highly relocated and transcends borders, making it difficult to generate comprehensive circular economy models that ensure the closure of cycles, as well as the identification of the agents involved.

Currently, circular models are rarely adopted by the industry, clothes are, in the majority of cases, not reused, and less than 1% of the material used to produces clothes comes from recycles material, which means that the textile waste are not properly managed.

To summarize this section, textile and fashion industry faces huge challenges in several key aspects and at several stages:

- Agricultural pollution linked to the production of row materials (cotton)
- Chemical pollution (for instance, for dyeing)
- Water use and other wastage
- Transport pollution due to import and export practices

- Human rights (delocalized workforce)

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Also, the transparency and traceability in the textile and clothing is a key question towards sustainability.

Main Fashion business strategies and their sustainable impact

The short history of the trade of textile products exposed above helps to understand the shape of the textile industry nowadays, and the dominant business archetypes that we can find in this sector. We will review here some of the most dominant fashion business models:

1. Fast and ultra-fast fashion

Strategy

This model emerged in the late 90's with brands such as Zara or H&M. Fast fashion is a model that focuses on affordable prices for fashionable clothes that changes constantly. At the level of operations, it requires a highly responsive supply chain, shortening the design-manufacturing-distribution cycles, as the collection can change every 2-3 weeks. The fast fashion firms usually follow the fashion trends launched by luxury firms and make quick replications, use shortened manufacturing cycles and logistics, including distribution and marketing, so they are able to propose a high turn-over of clothes in the shops, and the consumers have a wide variety of products. This model derived in the 2010's to the ultra-fast Fashion model, where the manufactured cycle was reduced to 1-2 weeks, and the online presence reduced the logistics costs of the distribution. Nowadays, the biggest players in the fast fashion world include Zara, Uniqlo, Forever 21 and H&M.

Sustainable impact

Fast fashion is associated with severe environmental pollution as well as a massive amount of clothing waste at the end of the product life cycle. According to the UN environment programme, the textile industry is the second biggest consumer of water and is responsible for 8-10% of global carbon emissions (as much as the European Union). The Quantis Internation Report (2018) identifies 3 main drivers of the industry global pollution impact: dyeing and finishing (36%), yarn preparation (28%) and fibre production (15%), with important consequences on natural ecosystems. In addition to the environmental impact, this model also poses societal problems. Indeed, fast fashion model has been blamed for creating labor abuses in the supply chain, where the production of apparel is compromised with forced and child labour. The fast fashion model was marked by the Dhaka garment factory collapse in Bangladesh in 2013, which caused 1.134 death.



Image by lookstudio on Freepik

2. Real-time fashion retail

Strategy

The real-time retail, directly coming from Asian countries, and in particular China, with hundreds of millions of Chinese consumers getting online, is a further evolution of the fast and ultra-fast fashion models and can turn fashion trends into clothes collections in a few days, or a maximum of one week. This model makes full use of new technologies to detect trends and launch digital marketing campaigns, has a manufacturing cycle of 5-7 days, and sells online to any place of the world. One good example of Real-time retail firm would be Shein.

Sustainable impact

If the fast fashion model can be criticized for its environmental and social impact, real time fashion is just one step further in the unsustainable practice.

3. Luxury fashion

Strategy

These couture brands are good at predicting what people will wear in the future and are the ones that set the trends. Luxury business is a model that runs contrary to most other business models in fashion. It relies on principles that defend the uniqueness of the products, thus with a lower production rate. Here, the production cost is secondary, as customers can afford the price. This business model is characterized by local production, full control of the value chain and distribution, and developing direct one-to-one relationships with clients.

Sustainable impact

In contrast with the fast fashion model, luxury fashion products are exclusive, high quality, and long-lasting, for which we can thus expect this industry to be more environmentally and socially friendly. However, as always, things are a little bit more complex. In order to create pieces with the highest standard of fabrics, dyes, and other materials, luxury brands consume large amounts of natural resources. The sector was criticized for the use of fur and

leather from endangered species, or the use of toxic chemicals to dye the fur. Also, there have been cases where luxury brands have been incinerating fashion products that weren't sold. In 2018, the fashion brand Burberry was for instance pointed out for burning over 30 million euros of bags, clothes, and perfumes.



Image by marymarkevich on Freepik

4. Functional brands

Strategy

Functional clothing is one that is specific to users' requirements and designed to be used under extreme conditions. Functional design is focused on the functionality, wearability, and desirability of the products. This is the case with sports equipment, but could also be clothing for firemen, automobile mechanics, etc. This business model gives an important role to R&D and innovation, which will increase the technical quality of the products. Then, the business model uses delocalization of production and outsourcing. For instance, Nike doesn't actually produce the items it sells, its manufacturing is all outsourced, in more than 300 external independent suppliers over 35 countries such as Vietnam or China.

Sustainable impact

Again, the sustainable impact of functional brands is significant. Functional brands such as Nike or Adidas were denounced by Greenpeace as part of its Detox campaign, which identified that hazardous chemicals are present in textile and leather products as a result of their use during manufacture.

5. Slow fashion

Strategy

The term "slow fashion" was used for the first time by the design activist Kate Fletcher, in contraposition with fast fashion. K. Fletcher defines slow fashion as "quality-based rather than time-based, it encourages slower production, combines sustainability with ethics, and invites consumers to invest in well-made and lasting clothes". In slow fashion, quality and sustainability of the supply chain are the key elements. Brands such as Patagonia or the North Face created an alternative casual style emphasizing comfort and the attention to the environment. This model advocates for buying better quality garments, that will last longer. It values the role of people and education.

Sustainable impact

Slow fashion is nowadays presented as the solution, and the sustainable choice to protect our environment and society. Slow fashion is characterized by slower production schedules, smaller collections, zero-waste designs, local production and the use of sustainable materials to reduce the impact of the production.

6. CASE STUDY**Nike's forced labour scandals**

<https://www.nike.com/>

Context:

Nike could be identified as one of the most famous textile functional brands in the world. Its core activity consists in selling footwear and sportswear around the world via wholesale customers that distribute the brand everywhere. Nike is a leading company in its market. Its revenue in 2021 was 47.149 billion dollars. In 2020, about 63% of the revenues of Nike came from footwear, and 28.8 % from apparel. Nike declared vision is "to bring inspiration and innovation to every athlete in the world", while its mission statement is to "do everything possible to expand human potential"

Description:

Over the years, Nike has been confronted with several scandals that have affected the image of the brand.

In 1991, Jeffrey Ballinger, an American labour activist, published a report on abuse made by Nike in Indonesian factories. He was showing up child labour, employees working long hours below minimum wages, as well as hazardous working conditions. Over the 90's several reports of this kind showed developing countries' sweatshops, where workers was exposed to the hardest working conditions.

Despite the scandals, experts denounced that Nike was treating these cases as public relation issues rather than serious human right matter. In 2007, Nike started to embrace the corporate responsibility and published the list of factories operating for Nike over the world, allowing other to check the working conditions.

In a 2018 report by the Clean Clothes Campaign, Adidas and Nike still pay poverty wages to workers.

In 2020, I a Report from the Australian Strategic Policy institute revealed that over 80.000

Uyghurs were transferred out of Xinjiang by the Chinese authorities to work in factories across China between 2017 and 2019, some of them being sent to detention camps, and obliged to work in factories that are in the supply chain of well-known brands in several sectors, among which Nike.

Lesson Learned:

Nike's business model is strong and has enabled the firm to have a strong position on the market, before its main competitors Adidas, Asics, or Puma.

However, it still faces global risks linked to the global condition and changes that can have either positive or negative impacts on sales. Nike will need to adapt to the raising environmental and social concerns, and increasing policies in the field, as well as to trade regulation, data security and privacy, etc. as main challenges for the future.

7. PRACTICAL ACTIVITIES

1. True/false question:

Real time fashion retail business model is based on 2 weeks production/distribution cycles

Correct answer: false

2. Sort the paragraph

Order the following elements of the textile supply chain:

Retail
Apparel manufacturing
Trade firms
Raw materials
Fabric manufacturing

Correct answer:

Raw materials
Fabric manufacturing
Apparel manufacturing
Trade firms
Retail

3. Multiple choice question

Among the following list, identify 3 fields of the NSDR report

- environmental matters,
- social matters and treatment of employees,
- wages
- child and forced labour
- anti-corruption and bribery,
- gender equality
- ethics

Correct answers:

- environmental matters,



- social matters and treatment of employees,
- anti-corruption and bribery,
- 4. Single choice question

What can define the fast fashion business model?

- online businesses
- affordable prices for fashionable clothes that changes constantly
- innovation and comfort for the user to run fast
- unique and high-quality pieces

Correct answer: affordable prices for fashionable clothes that changes constantly

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Burberry burns bags, clothes and perfume worth million, 2018
<https://www.bbc.com/news/business-44885983>

Strategic agenda on textile waste management and recycling, ENTER interreg EU project.
<https://www.interreg-central.eu/Content.Node/Stategic-Agenda.pdf>

9. EXTERNAL RESOURCES

<https://fourweekmba.com/what-is-a-business-model/> FourWeekMBA: Slow, fast, ultrafast fashion and real-time retail. This article present several business models taken from the fashion industry.

<https://www.youtube.com/watch?v=wumTxAvps28> The slow fashion business Model in a Nutshell: This videos present in a schematic way the main component of the slow fashion business strategy.

https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en This link from the European Commission website explains the corporate sustainability reporting



<https://businessmodelanalyst.com/nike-business-model/>

This webpage presents several business model examples using CANVAS. In this link, Nike business Model is presented.

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1. SUB-MODULE TITLE

2.3 SUSTAINABILITY APPLIED TO FASHION SMES: BUSINESS STRATEGIES AND ECO-SOLUTIONS

2. INTRODUCTION (SUB-MODULE DESCRIPTION)

In the previous sections, we have seen several business approaches to sustainability (SDG, Circular Economy) and some of the dominant fashion industry business models, some being keener to the sustainable commitment than others. In this new section, we will focus on a more practical aspect, and review business strategies and eco-solutions that exist to decrease the impact of the fashion businesses.

3. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)

Upon completing this sub-module, you should be able to do the following:

- Detect business opportunities in the circular fashion business
- Apply sustainability elements to business operations in textile firms
- Think at waste management in the textile company

4. LEARNING CONTENT

Major circular trends and business opportunities

In the previous section, we detailed some of the major sources of impact of the textile industry. We will now review some orientation to change current models and move forward more sustainable industrial practices.

Some of the key actions that can be undertaken are:

- Phase out substances of concern such as hazardous raw materials and substances responsible from plastic microfiber release. Here, an important work should be made in R&D to create safe materials cycles and eliminate the emission of plastic microfibre.
- Transform the way in which clothes are designed, sold and used, in a way that break with the current trend of rapid obsolescence of clothes, promoting the slow fashion.
- Improve the recycling by design transformation, collection models and reprocessing.
- Work on waste management, starting with a radical reduction of waste generation and the correct application of the hierarchy of waste according to circular butterfly diagram.
- Make an efficient use of resources and make use of renewable textiles (no synthetics)
- Improve the traceability and transparency all along the supply chain



Image by rawpixel.com on Freepik

Areas of application for the fashion business to become circular

Within the company's supply chain and areas of action, 3 main areas can generate opportunities to start being circular and sustainable: product, process and business model.

Product: it encompasses the different actors involved with the product itself, and for this, the entire supply chain is covered to analyze who is involved in the product.

Process: this area starts when our design has been defined and validated. From here we must involve the supply chain department that includes: production, manufacturing, logistics, operations and all suppliers that can add value, reducing costs, to produce more efficiently or to value the possible waste generated.

Business: when making a circular project, this is the most difficult area to tackle since it is where it is defined how business is generated, what is going to be sold, to whom and what is the sales channel to use.

Here you have some examples and tips to apply in your fashion business whitening these main areas.

PRODUCTS

Potential raw material cost savings. It encompasses purchases, product development, customers and recycling

-Promote and implement eco-design

- Extend product life
- Facilitate repair maintenance and recycle ability

-Encourage innovation

- Suggestion box, brain storming sessions, co-creation sessions
- New methodologies system innovation: design thinking Systems thinking
- corporate acceleration detection incubation acceleration and investment

PROCESSES

-Change policies with providers

- buy green
- minimize carbon and water footprint
- supply of materials
- transportation
- eco component design

-Innovation in the production process

- new methodologies: lean, minimize stocks, reuse parts, etc.
- Reduced carbon and water footprint
 - energy efficiency
 - renewable energies/self-consumption
- reduction / recovery of waste

BUSINESS MODELS

-At the business strategy level

- include circularity and sustainability (SDG) within the company's strategy
- Know your sector: background where you are and where it is going... take time to think
- analyze flows (material and energy) and identify which ones offer more value
- assess the technical and economic feasibility of the measures identified
- implement the indicator measures and follow up
- anticipation

-Use recycled or recyclable products 100 per 100

- promote common platforms for users
- innovate by promoting services versus products
- prioritize services over products
- recurring versus immediate income

Main changes in business models in the field of circular economy

Entrepreneurs develop new forms of production by applying new business models that:

- use all intermediate goods fully renewable recyclable or biodegradable resources
- extend the life cycle of the product
- offer a product as a service

- promote collaborative consumption through exchange platforms
- reclaim resources at the end of a product life cycle
- Here you have a brief summary about these changes in the circular business models:

	Conventional business models	New business models
Principles for value creation	Business continuity and profit optimization are the main drivers	Circular business models open the way to incorporate multiple principles for value creation beyond finance, the environmental and social values of companies are taken into consideration: Creating impacts is a relevant issue in this type of model
Cooperation	Traditional relationships between buyers and sellers in the linear supply chain: The benefits of a product or service are limited to buyers and sellers	Companies within circular supply chains often cooperate with each other beyond the buyer-seller relationship instead operating in a network of companies and institutions often involving a strong element of collaboration and co-creation.
Transaction	Transactions arise in B2B or B2C markets, with money being the medium of exchange.	New market segments are emerging in which consumers interact with other C2C consumers and in which economic agents act as both manufacturers and C2B consumers. Money is the main but not necessarily the only medium of exchange, energy, time or waste can also be exchanged.

Property	Ownership is essential for the consumption of products and services	Access to a service is more important than ownership of a product that provides a service
Success Indicators	Success is measured in a financial cost-benefit analysis for both buyers and sellers	Success is measured in a financial and non-financial cost-benefit analysis carried out by all the stakeholders involved as well as by society as a whole.

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Circular strategies for textile entrepreneur

Seen all of the above in this and other chapters, we can list some circular strategies that a fashion entrepreneur could implement in his/her business:

Design strategies

- design for product durability
- design for standardization and compatibility
- Designs for easy maintenance and repair
- design to increase upgradability and adaptability
- design for disassembly and reassembly
- Design for privacy, trust and customer loyalty

Sourcing Strategies

- introduce economic and environmental costs in contracting
- using the concept of total cost of ownership instead of lowest price only requires an integrated approach to acquisition, maintenance and disposal budgets
- develop a circular sourcing strategy
- find suppliers that deliver products or services as a circular concept

Manufacturing Strategies

- minimize the impact of production on the environment
- look for resources from waste inside and outside the supply chain that can serve as raw material, fuel or energy within the production process
- carry out product life cycle assessments to determine their most important impacts on the supply chain seek to cooperate in those parts of the chain where the impacts are greatest

Waste collection strategies

- analyze the waste streams in the company as well as the supply chain
- collaborate with waste and resource contractors as well as local governments



Also, the above strategies lead us to 3 main new business models that can be found in the circular economy (Value Hill Model), each one focusing on a different phase of the value chain:

- **Circular design models**, focusing on the design and manufacturing phase, and where you seek to optimize circularity with the design of clothes with the aim of long-term value retention
- **Value recovery models**, focusing on the after-life phase and where you seek to maximize the recovery and recycling of products and materials to reduce waste. It is aimed at capturing value after the user life.
- **Optimal use models**, focusing on the use phase and where you seek to increase the use value of the product. This model supports a better usage of the product.

These three circular support models focus on the management and coordination of circular value networks and resource flows and optimization of incentives.

The eco-design approach in fashion

Eco-conception is defined by the European Commission (Directive 2019/125/EC) as the “integration of environmental characteristics into the design of the product with a view to improving the environmental performance of the product throughout its life cycle”

We can define the eco-design concept as: Methodology for product design in which environmental impacts are considered at all stages of the product design and development process to achieve products that generate the least possible environmental impact throughout their life cycle.

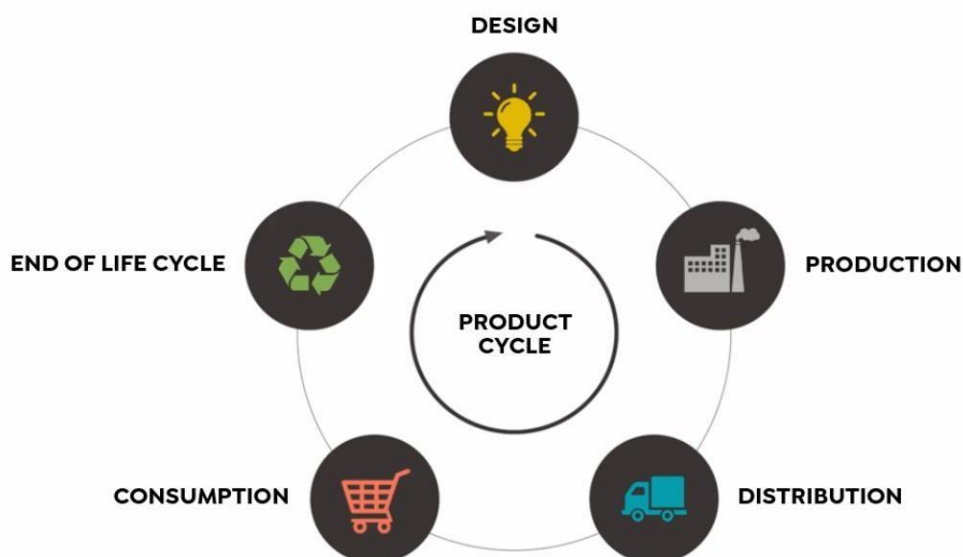
The objective is, therefore, to reduce environmental burdens by increasing efficiency and including the product life cycle concept.

We can make a simple definition of the product life cycle as the consecutive and interrelated stages of a product system: from the acquisition of raw material or its generation from natural resources, its production, distribution, and use, until ceases to be used.

We are going to talk a little about Eco-design strategies from the point of view of 5 basic concepts:

- Design-Product conceptualization
- Production
- Distribution
- Use/consumption
- End of life (useful)





<https://www.domestika.org/en/blog/7060-what-is-eco-design-and-how-to-apply-it-to-your-products>

Hélène Allouard (2022) proposes guidelines to the eco-conception approach applied to the fashion industry, starting with the concept: strategy/management, design/style. At this stage, you can wonder if your management and teams received training in eco-conception. Also, if a version of the eco-design approach is already present in the collection. Then, she proposes the following steps

1. **Materials:** specifications, origin/type, quality. Has a reference document has already been drawn up? Is the traceability of the raw material ensured? Is local fibre sourcing preferred? Are the selected materials subject to solidity criteria?
2. **Weight/volume:** product, sizing/production/sales forecast, logistics. Has the composition of the product been simplified? Have unsold management measures been taken? Are stocks and deliveries optimized?
3. **Production:** environmental management, process, localization, quality management, human rights/animal welfare. Are actions to reduce the environmental impact implemented on the production site? Are process innovations used (patronage, 3D prototyping, on-demand production, etc.)? Has a social audit of the production sites been carried out?
4. **Distribution:** shops, distances, means of transport, packaging. Is the transport distance to the shops reduced to a minimum? Are less CO2-emitting modes of transport used? Has the minimization of the impact of packaging been studied?
5. **Use:** adapted products, consumer messages, frequency, temperature, pollution. Are the textile products easy to maintain, durable? Are the maintenance instructions

sufficiently educational and transparent? Is the release of microparticles limited?

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6. **Optimized life cycle:** impact analysis, adaptability, sustainability, new services. Is the identification of environmental risks complete? Are the products adaptable to meet the needs of several seasons? Are they repairable?
7. **End of life:** circularity, sector. Were the textile products designed in a logic of circular economy? Are there outlets for recycling?

There are many solutions, she says, for a cleaner textile production (lifespan of the garment, reduction of chemical, local resources, etc.). Thus, after deciding the aesthetic, the choice of raw material is fundamental, and for this, company should carefully analyse the type of resources they use (conventional, organic, etc), the process implemented (traceability) and the social approach (working conditions).

We can suggest the following tips about eco-design in the different areas of your fashion company:

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7 TIPS FOR ECO-DESIGN IN YOUR COMPANY

1

Use of low-impact materials

- Cleaner
- Renewable
- Lower energy content
- Recycled

2

Reduction of elements

Reduce material usage:

- Weight
- Volume
- Use of folding systems, stackable, etc.

3

Production optimization

- Alternative production techniques
- Fewer production stages
- Lower power consumption
- Clean energy
- Lower waste production
- Reduced production consumables and cleaner

4

Distribution optimization

Select forms of distribution:

- Environmentally efficient
- Less packaging/cleaner/reusable
- Energy-efficient transport

5

Reducing the impact on use

- Lower power consumption
- Lower consumption of consumables
- Cleaner consumables

6

Optimization of useful life

Optimize the product life cycle:

- Easier maintenance and repair
- Improve product adaptability and modularity
- Increase purpose and durability
- Strong product-service relationship

7

End-of-life optimization

- Product reuse
- Remanufacturing
- Reconditioning/modernization
- Material recycling
- Safe and productive disposal

developed by MEUS



5. CASE STUDY

Ternua: example of a sustainable functional brand

Context:



www.ternua.com

Ternua Group³² is a Spanish company born in Mondragón in 1994. Currently, it has a presence in more than fifty countries through the multi-brand channel, integrating the firms Ternua, Lorpen, Astore, and Loreak Mendian.

Ternua has different sustainable sports equipment garments for men, women, and children, as well as accessories for the mountain, such as vests, pants, jackets, underwear, backpacks, bottles, gloves, sleeping bags, etc. To make his clothes he uses recycled materials such as Carpets / Fishing nets / Plastic bottles/ Recycled feathers / Coffee beans / Wool / Agricultural waste.

Description:

Thanks to research, development, and innovation, they manage to manufacture products through sustainable treatments and recycled products to reduce negative impacts on the environment. The following table briefly summarizes these treatments, as well as the materials used for their realization.

Lesson Learnt:

For the production, they have different projects aligned with sustainability and that they develop through alliances and collaborations with different organizations and entities. As an example, we can talk about the projects:

TREATMENT	DESCRIPTION	MATERIALS USED
Polygene technology	Anti- <u>odour</u> treatment	Low salt concentrations of recycled silver, recycled from reels, x-rays, etc.
<u>Scafé</u> technology	Anti- <u>odour</u> treatment	Coffee grounds
Organic cotton	Cotton treated and grown without pesticides	No toxic substances, just the crop or fertilizer rotation animals
Repellency treatment	the water 100% free of PFC's	Recycled pen, bottles of plastic, coffee grounds, nets fishing

³² <https://www.ternuagroup.com/>

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- **Seacycle.** Plastic waste is collected by fishing boats, and along with other urban plastic waste, this waste is transformed into polyester yarn. In addition to the fishermen, this project is done in collaboration with the Basque Government, AZTI-TECNALIA and EKO-REC, a company that specialized in recycling PET plastic waste.
- **Redcycle.** A large amount of waste from fishing nets found in the sea has allowed Ternua to collaborate with Basque institutions, guilds, and fishermen to eliminate this waste from the Basque coast and cooperate with the Aquafil company to transform these nets into ECONYL wire and develop fabric.

As it can be seen, this case relates several SDGs:



And at the same time, indirectly, Ternua has worked with this project in the SDGs:



6. PRACTICAL ACTIVITIES

1. True / False question

SDG nº12, Responsible Consumption and production is irrelevant in a business/market context

Correct answer: False

2. Single choice question

A circular economy engages you in taking care of your entire production process and enables you to integrate SDG in some of your operations. At your level, how could you address the SDG nº12 – sustainable consumption and production?

- a) You can operate to become more sustainable, but not as part of the SDG, which is something returning from the international policy level.
- b) You can engage your company in a circular process to review your production modes, including all intrants of your production chain and the different operations done to achieve your products.
- c) You can take care in buying local and ecological products for yourself.

Correct answer: answer 2

3. Drag the words

_____ is defined by the European Commission (Directive 2019/125/EC) as the “integration of environmental _____ into the _____ of the product with a view to improving the environmental _____ of the product throughout its life _____”

Performance design
Eco-conception Cycle Characteristics

Correct answer:

Eco-conception is defined by the European Commission (Directive 2019/125/EC) as the “integration of environmental characteristics into the design of the product with a view to improving the environmental performance of the product throughout its life cycle”

4. Multiple choice question

Find here some of the points of attention defined by H el ene Allouard for an Eco-conception in the textile sector:

- Reuse
- Cascade
- Concept
- Design

- Production
- Pollution
- Water
- End of life

Correct answers:

Concept Production End of life

Concept
Production
End of life

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https://www.researchgate.net/publication/328434522_Cascading_use_of_textile_waste_for_the_advancement_of_fibre_reinforced_composites_for_building_applications

How to implement an eco-conception approach in fashion, Allouard, 2022

<https://www.fashiondata.io/en/eco-conception-in-fashion-towards-the-end-of-fast-fashion/>



MODULE 2 Worksheet

Giveaways:

1. Sustainable business practices are those that allow companies to reduce their negative impacts on the environment while still allowing companies to make a profit
2. The design with sustainable materials allows circular economy goods to end their useful life in a position to adopt new functions,
3. In the 1990s, the Eco-design concept was born. Eco-design is a technique used in product design that takes environmental aspects into account. The objective is none other than to implement measures in the product conception and development phase to reduce environmental impact.
4. The Eco-design is a key element in achieving the circular economy and optimizing products, allowing their recycling and giving them a new useful life indefinitely.

Activity for self-reflection:

Take a moment to reflect on your fashion choices and their impact on the environment. Consider the materials used, production processes, and the ethical values of the brands you support. Ask yourself how aligned your fashion habits are with sustainability principles. Identify areas where you can improve and educate yourself about sustainable fashion practices. Examine your attitudes and values towards sustainability in the fashion industry. Consider the challenges you face in making more sustainable choices and explore solutions to overcome them. Set specific and achievable goals to become a more conscious and responsible fashion consumer, promoting sustainability in the fashion industry through your actions.

Case study, essay, topic, activity

The sustainable strategy of Ternua is based on the research, development, and innovation to favor the sustainability and the reutilization of materials, with that they manage to manufacture products through sustainable treatments and recycled products to reduce negative impacts on the environment.

Find out more in Module 2 through the online cooperative platform

<https://tecofash.erasmus.site/>



1. Module title

Module 3: LEAN management and supply chain in fashion industry

2. SHORT MODULE DESCRIPTION

Lean management is a business philosophy that focuses on identifying and eliminating waste in all aspects of a company's operations. It is a systematic approach to improving efficiency and productivity, while also reducing costs and improving quality.

Lean management can be applied to any industry, including the fashion industry. The fashion industry is characterized by complex supply chains, short product life cycles, and high demand volatility. Lean management can help fashion companies to overcome these challenges and improve their overall performance.

Many fashion companies have successfully implemented lean management principles in their supply chains.

Overall, lean management can be a valuable tool for fashion companies to improve their efficiency, productivity, and profitability.

3. TOPICS FOR COLLABORATIVE FORUM

Provide here at least 2 topics that will be in the forum:

1. Lean principles in fashion: Can the application of LEAN management techniques enhance efficiency and sustainability in the fashion supply chain?
2. Reshoring vs. offshoring: Evaluating the impact of global events (e.g., pandemics) on fashion supply chain decisions and the future of production localization.

4. SUB-MODULE TITLE: LEAN Management in Fashion Supply Chain

3.4 Introduction to LEAN principles and their applicability in the fashion industry

3.5 Case studies of successful LEAN implementation in fashion supply chains

3.6 Challenges and barriers to implementing LEAN principles in the fashion industry

3.7 Measuring the ROI of LEAN initiatives in fashion supply chains

3.8 Conclusions

5. INTRODUCTION (SUB-MODULE DESCRIPTION)

This section delves into the critical realm of LEAN Management within the dynamic landscape of the fashion supply chain. In today's ever-evolving fashion industry, achieving efficiency, sustainability, and flexibility in the supply chain has become paramount. Fashion brands and manufacturers are continually seeking ways to streamline operations, reduce waste, and respond swiftly to market demands. LEAN Management principles offer a promising avenue for achieving these objectives.

Fashion supply chains are intricate and multifaceted, involving a complex interplay of processes, from design and sourcing to production and distribution. Against this backdrop, LEAN Management principles, which have proven their worth in a variety of industries, hold the potential to revolutionize the way fashion products are conceived, produced, and delivered to consumers. This section explores how LEAN Management principles can transform the fashion supply chain. In the complex world of fashion, efficiency, sustainability, and flexibility are paramount. LEAN Management offers solutions.

We delve into LEAN basics, its adaptation to fashion, and real-world case studies of success. Discover how LEAN techniques optimize processes, reduce costs, and enhance sustainability in fashion supply chains. Join us on this journey into the world of LEAN Management, reshaping efficiency and sustainability in fashion."

6. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)

Upon completing this sub-module, you should be able to do the following:

1. Understand the impact of social, cultural, and environmental factors on fashion supply chain efficiency.
2. Identify key areas where LEAN principles can be applied in the fashion industry.
3. Comprehend how LEAN Management techniques optimize processes and reduce waste in fashion supply chains.
4. Recognize the significance of LEAN adoption in enhancing sustainability and competitiveness in fashion.

7. LEARNING CONTENT



Introduction to LEAN principles and their applicability in the fashion industry

Lean management is a systematic approach to improving efficiency and productivity by eliminating waste from all aspects of a business. It was first introduced by the Toyota Production System (TPS) in Japan.

By implementing lean management, businesses can achieve a number of benefits, including:

- Increased production rate
- Improved productivity and profitability
- Reduced lead time
- Improved overall efficiency
- Lower cost
- Improved quality

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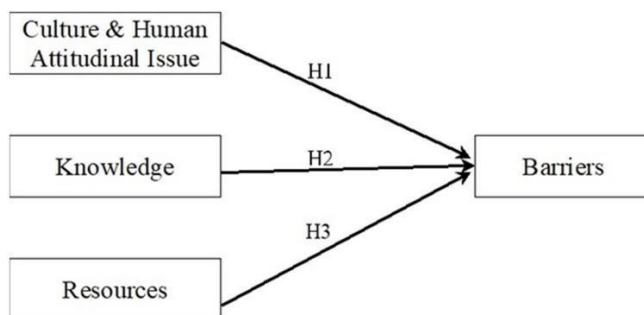


https://textilelearner.net/basic-elements-of-lean-manufacturing-process/#google_vignette

Lean management is a valuable tool for businesses in all industries, including the apparel industry. In the apparel industry, there are many different types of waste that can occur in different departments, such as sewing, cutting, and packaging. Lean techniques can help apparel businesses to eliminate this waste and produce high-quality products at a lower cost.

By implementing lean management techniques, apparel businesses can improve their efficiency, productivity, and profitability. This can lead to a number of benefits, such as lower costs, improved quality, and increased customer satisfaction.

Challenges and barriers to implementing LEAN principles in the fashion industry



<https://www.mdpi.com/2071-1050/13/4/1978>

The fashion industry is a fast-paced and ever-changing industry, which can make it challenging to implement LEAN principles. Some of the key challenges and barriers that

fashion companies face include:

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- **Lack of understanding of LEAN principles:** Many fashion companies do not have a good understanding of LEAN principles and how they can be applied to their businesses. This can make it difficult to implement LEAN effectively.
- **Resistance to change:** LEAN implementation often requires significant changes to the way a company operates. This can lead to resistance from employees and managers.
- **Complexity of the supply chain:** The fashion supply chain is complex and global, which can make it difficult to implement LEAN principles throughout the chain.
- **Need for speed:** The fashion industry is fast-paced, and companies often need to bring new products to market quickly. This can make it difficult to implement LEAN principles, which often require a focus on long-term improvement.

Despite these challenges, there are a number of fashion companies that have successfully implemented LEAN principles. These companies have achieved significant benefits, such as reduced costs, improved efficiency, and increased productivity.

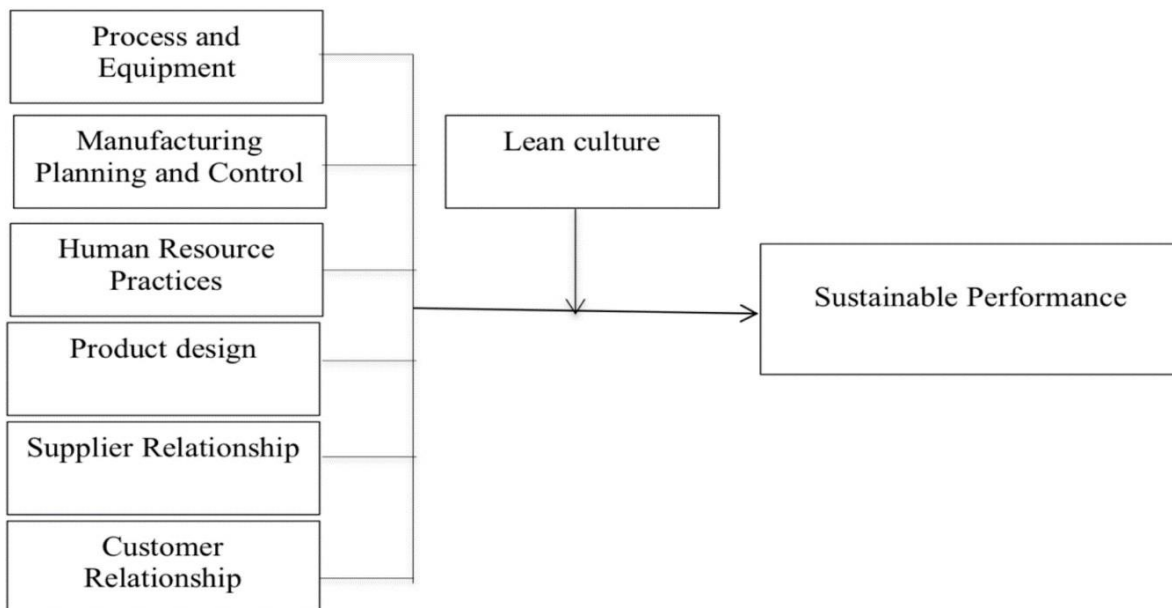
Here are some tips for fashion companies that are considering implementing LEAN principles:

- **Start with a clear understanding of LEAN principles:** Before implementing LEAN, it is important to have a good understanding of the key principles and how they can be applied to your business. There are a number of resources available to help you learn more about LEAN, such as books, articles, and training courses.
- **Get buy-in from management and employees:** It is important to get buy-in from management and employees before implementing LEAN. This will help to reduce resistance to change and ensure that the implementation is successful.
- **Start small:** Don't try to implement LEAN throughout your entire company at once. Start by implementing LEAN in a few pilot areas. This will help you to learn from your mistakes and make adjustments as needed.
- **Be patient and persistent:** Implementing LEAN takes time and effort. Don't expect to see results overnight. Be patient and persistent, and you will eventually achieve your goals.

By following these tips, fashion companies can overcome the challenges of LEAN implementation and achieve the benefits of LEAN manufacturing.

Measuring the ROI of LEAN initiatives in fashion supply chains

Lean practices



<https://www.mdpi.com/2071-1050/11/4/1112>

Measuring the ROI of LEAN initiatives in fashion supply chains can be challenging, but it is important to do so in order to assess the effectiveness of these initiatives and justify further investment.

There are a number of ways to measure the ROI of LEAN initiatives, including:

- **Cost savings:** One of the most common ways to measure the ROI of LEAN initiatives is to track the cost savings that have been achieved. This can be done by comparing costs before and after the implementation of LEAN initiatives.
- **Efficiency improvements:** Another way to measure the ROI of LEAN initiatives is to track efficiency improvements. This can be done by tracking metrics such as lead times, throughput, and inventory levels.
- **Quality improvements:** LEAN initiatives can also lead to quality improvements. This can be measured by tracking metrics such as defect rates and customer satisfaction.

In addition to these quantitative measures, it is also important to consider the qualitative benefits of LEAN initiatives, such as improved employee morale and increased customer satisfaction.

Here are some tips for measuring the ROI of LEAN initiatives in fashion supply chains:

- **Set clear goals:** Before implementing any LEAN initiatives, it is important to set clear goals for what you want to achieve. This will help you to measure the success of your initiatives and track your progress over time.
- **Collect data:** It is important to collect data on key metrics before and after the implementation of LEAN initiatives. This data will allow you to measure the impact of your initiatives and track your progress over time.
- **Use a variety of measures:** There is no one-size-fits-all approach to measuring the ROI of LEAN initiatives. It is important to use a variety of measures to get a complete picture of the impact of your initiatives.
- **Consider the qualitative benefits:** In addition to quantitative measures, it is also important to consider the qualitative benefits of LEAN initiatives, such as improved employee morale and increased customer satisfaction.

By following these tips, fashion companies can measure the ROI of their LEAN initiatives and assess the effectiveness of these initiatives. This information can then be used to make informed decisions about future investment in LEAN.

Conclusions

Lean management is a powerful business philosophy that serves as a systematic approach to enhancing efficiency, productivity, cost-effectiveness, and overall quality by meticulously identifying and eliminating waste in various operational facets. Its adaptability makes it applicable across diverse industries, including the intricate and dynamic world of fashion.

The fashion industry is characterized by multifaceted supply chains, fleeting product life cycles, and volatile demand patterns, all of which pose significant challenges. However, the integration of Lean management principles can empower fashion companies to navigate these complexities and elevate their performance. Numerous fashion entities have successfully embraced Lean principles within their supply chains, realizing substantial improvements in their operations.

In summary, Lean management stands as a valuable tool for fashion companies seeking to enhance their efficiency, productivity, and profitability. It enables the streamlining of processes, reduction of waste, and the cultivation of a sustainable, competitive edge within the ever-evolving fashion landscape. As fashion continues to evolve, Lean management remains a cornerstone for continuous improvement and resilience in this dynamic industry.

8. CASE STUDY



ZARA Revolutionized the Fashion Industry with Lean Practices

Description:

Zara is a Spanish fast fashion retailer that is known for its ability to quickly bring new products to market. Zara has a long history of sustainability initiatives, and in recent years, the company has made significant progress in reducing its environmental impact and improving its social responsibility practices.

One of Zara's key sustainability initiatives is its use of sustainable materials. Zara uses a variety of sustainable materials in its products, including organic cotton, recycled polyester, and Tencel. Zara also has a commitment to using less water and energy in its production processes.

In addition to its focus on sustainable materials and production processes, Zara is also committed to improving the working conditions of its employees. Zara has a code of conduct that sets out standards for worker safety, wages, and benefits. The company also works with its suppliers to ensure that they meet these standards.

Lesson Learnt:

Zara demonstrates that it is possible for fast fashion brands to be sustainable and socially responsible. Zara's commitment to sustainability is evident in its use of sustainable materials, its focus on reducing its environmental impact, and its commitment to improving the working conditions of its employees.

Conclusion:

By adopting sustainable and ethical practices, fashion brands like Zara can help to create a more sustainable and ethical future for the fashion industry.

Additional thoughts:

Zara is a good example of how fast fashion brands can use their business models to promote sustainability and social responsibility. By sourcing materials from sustainable suppliers, focusing on reducing its environmental impact, and improving the working conditions of its employees, Zara is making a positive contribution to the fashion industry.

Other fast fashion brands can learn from Zara's example and adopt similar practices in their own businesses. By doing so, the fast fashion industry can move towards a more sustainable and ethical future.

9. PRACTICAL ACTIVITIES

TRUE OR FALSE:

1. Lean management primarily focuses on increasing waste in various operational facets. (False)
2. Lean management principles were first introduced by the Toyota Production System (TPS) in Japan. (True)
3. Implementing lean management in the fashion industry can lead to benefits such as increased production rate. (True)
4. Lean management is not applicable to the apparel industry. (False)
5. Resistance to change is not a barrier to implementing LEAN principles in the fashion industry. (False)
6. Fashion companies should implement LEAN principles throughout their entire organization at once. (False)
7. One way to measure the ROI of LEAN initiatives is by tracking efficiency improvements. (True)
8. Lean initiatives do not lead to quality improvements. (False)
9. Qualitative benefits of LEAN initiatives include improved employee morale. (True)
10. Zara has not demonstrated a commitment to sustainability and social responsibility. (False)

TEST:

1. What is lean management?

- A. Systematic approach to improving efficiency and productivity by eliminating waste from all aspects of a business.
- B. Management philosophy that focuses on reducing costs and improving quality.
- C. Set of tools and techniques for managing the flow of goods and services through a supply chain.
- D. Management system that uses data and analytics to improve decision-making.

2. What are some of the benefits of lean management in the fashion supply chain?

- A. Reduced costs, improved efficiency, and increased productivity.
- B. Improved quality, reduced lead times, and increased customer satisfaction.
- C. Reduced waste, improved sustainability, and increased flexibility.
- D. All of the above.

3. What are some of the challenges of implementing lean management in the fashion supply chain?

- A. Lack of understanding of lean principles, resistance to change, and complexity of the supply chain.
- B. Need for speed, lack of resources, and difficulty measuring ROI.
- C. Lack of skilled workers, difficulty coordinating with suppliers and customers, and cultural

resistance.

D. All of the above.

4. What are some tips for fashion companies that are considering implementing lean management?

A. Start with a clear understanding of lean principles, get buy-in from management and employees, start small, and be patient and persistent.

B. Set clear goals, collect data, use a variety of measures, and consider the qualitative benefits.

C. Get professional help, invest in technology, and involve the entire supply chain.

D. All of the above.

5. What are some of the ways to measure the ROI of lean initiatives in fashion supply chains?

A. Cost savings, efficiency improvements, and quality improvements.

B. Quantitative measures, such as lead times, throughput, and inventory levels.

C. Qualitative benefits, such as improved employee morale and increased customer satisfaction.

D. All of the above.

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11. EXTERNAL RESOURCES



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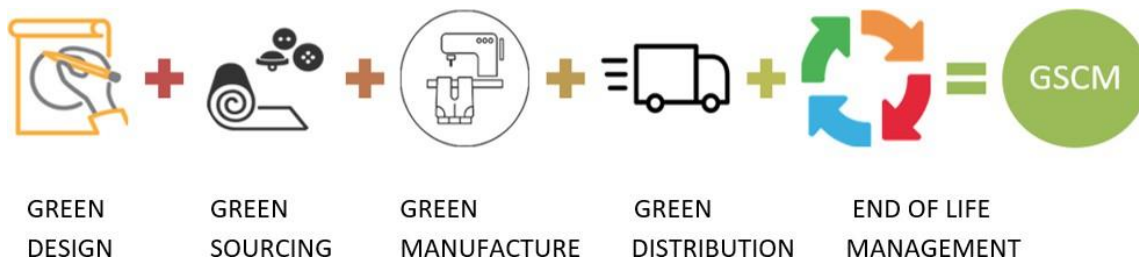
1. SUB-MODULE TITLE: Sustainable Supply Chain Practices in Fashion

- 2.1. Sustainable sourcing and its role in the fashion supply chain
- 2.2. Ethical considerations in fashion supply chain management
- 2.3. Circular fashion and its implications for supply chain management
- 2.4. Transparency and traceability in the fashion supply chain
- 2.5. Conclusions

2. INTRODUCTION (SUB-MODULE DESCRIPTION)

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<https://www.onlineclothingstudy.com/2020/03/5-steps-for-sustainable-apparel-supply.html>

This section delves into the evolving landscape of sustainable supply chain practices within the fashion industry. In an era marked by heightened awareness of environmental and ethical concerns, the fashion industry is undergoing a profound transformation. Consumers are demanding greater transparency, ethical production processes, and eco-friendly materials, compelling fashion brands to reassess and reformulate their supply chain strategies.

The fashion industry's supply chain is an intricate web of processes, from sourcing raw materials to manufacturing and distribution. In this context, the pursuit of sustainability involves reimagining every step of this journey. Sustainability, in the fashion sector, is not merely a buzzword; it's a fundamental paradigm shift that encompasses eco-conscious materials, ethical labor practices, and responsible consumption.

This section explores how fashion brands are responding to the growing call for sustainability by adopting innovative supply chain practices. We will examine real-world case studies and best practices, shedding light on the strategies employed by fashion industry leaders to reduce environmental impact, promote ethical production, and meet the evolving expectations of socially conscious consumers.

Join us on this exploration into the world of sustainable supply chain practices in the fashion industry, where we uncover the initiatives and innovations that are reshaping the industry's approach to responsible sourcing, production, and consumption.

3. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)

Upon completing this sub-module, you should be able to do the following:

1. Sustainable Supply Chain: What are the steps from circular economy to sustainable supply chain?
2. Sustainable Supply Chain: What are the steps from circular economy to sustainable supply chain?

4. LEARNING CONTENT

Sustainability as a driving force: The fashion industry's journey towards sustainability begins with responsible sourcing practices. We delve into how sustainability has evolved from a mere trend to a core value in fashion, compelling brands to reevaluate their sourcing strategies.

2. Ethical Sourcing and Fair Labor Practices:

Ethical considerations: Explore the ethical dimensions of sourcing, including fair labor practices, humane treatment of workers, and the eradication of exploitative labor conditions in the global fashion supply chain.

3. Eco-Friendly Materials and Sustainable Fabrics:

The fabric of change:

Dive into the realm of eco-friendly materials and sustainable fabrics. Discover how fashion brands are embracing environmentally friendly textiles, reducing their carbon footprint, and enhancing the longevity of their products.

4. Local Sourcing vs. Global Sourcing:

The sustainability equation: Compare the environmental and ethical implications of local sourcing versus global sourcing. Understand the trade-offs and benefits of each approach in the context of sustainability.

5. Transparency and Traceability:

The demand for transparency: Delve into the growing consumer demand for transparency and traceability in fashion supply chains. Learn how brands are responding by providing detailed information about the origin and journey of their products.

6. Sustainable Sourcing Case Studies:

Real-world examples: Explore case studies of fashion brands that have successfully adopted sustainable sourcing practices. Understand the challenges they faced and the positive impacts on their businesses and the environment.

7. The Future of Sustainable Sourcing:

Forward-thinking strategies: Consider the future of sustainable sourcing in the fashion industry. Examine emerging trends, technologies, and innovations that promise to further revolutionize the way fashion products are sourced and produced.

In this topic, we will unravel the multifaceted aspects of sustainable sourcing and its pivotal role in shaping a more ethical, environmentally conscious, and socially responsible fashion industry. As the fashion landscape continues to evolve, sustainable sourcing practices will remain at the forefront of industry transformation.

[Ethical considerations in fashion supply chain management](#)



<https://www.just-style.com/comment/a-new-model-for-reshoring-in-the-uk-garment-industry/?cf-view>

The UK apparel industry is a major contributor to the UK economy, with a turnover of over £28 billion and employing over 800,000 people. However, the industry has faced significant challenges in recent years, including rising costs, competition from overseas markets, and Brexit.

Reshoring

Reshoring is the process of bringing back production to the UK from overseas. It is a complex decision, but it can offer a number of benefits to businesses, including:

- **Reduced costs:** Reshoring can help businesses to reduce transport costs, tariffs, and lead times.
- **Improved quality:** Businesses can have more control over the quality of their products if they are produced in the UK.
- **Increased flexibility:** Reshoring can make it easier for businesses to respond to changes in customer demand and new product development.
- **Reduced environmental impact:** Reshoring can reduce the environmental impact of businesses by reducing the amount of transportation required.

The Case of VATHOS Apparel

VATHOS Apparel is a Greek fashion brand that is committed to sustainable and ethical production. The company uses 100% organic materials and works with small, family-run businesses to produce its clothes.

VATHOS Apparel recently made the decision to reshore some of its production to Greece. This decision was motivated by a number of factors, including:

- A desire to reduce the environmental impact of the company's supply chain.
- A desire to support the Greek economy.
- A desire to have more control over the quality of its products.

Challenges

While reshoring can offer a number of benefits, it is also important to be aware of the challenges involved. These challenges include:

- **Higher labor costs:** Labor costs in the UK are typically higher than in many overseas markets.
- **Lack of skills:** There may be a shortage of skilled workers in the UK in certain

industries.

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- Competition from overseas markets: Businesses that reshore may face increased competition from overseas markets.

Fuzzy DEMATEL Method

The Fuzzy DEMATEL method is a multi-criteria decision-making (MCDM) method that can be used to identify the key considerations and interrelationships among decision criteria in reshoring decisions.

The Fuzzy DEMATEL method involves the following steps:

1. Identifying the relevant decision criteria.
2. Collecting expert opinions on the interrelationships between the decision criteria using five linguistic terms: N (no influence), VL (very low influence), L (low influence), H (high influence), and VH (very high influence).
3. Converting the linguistic terms to numerical values using fuzzy set theory.
4. Calculating the direct-relation matrix (DRM), which shows the interrelationships between the decision criteria.
5. Calculating the total relationship matrix (TRM), which shows the cumulative effects of the interrelationships between the decision criteria.
6. Analyzing the TRM to identify the key considerations and interrelationships among the decision criteria.

Results of the Fuzzy DEMATEL Method

The Fuzzy DEMATEL method was applied to the case of VATHOS Apparel to identify the key considerations and interrelationships among decision criteria in its reshoring decision.

The results of the Fuzzy DEMATEL analysis showed that the following criteria are the most important to consider in reshoring decisions:

- Supply process complexity
- Environmental sustainability
- Cost-efficiency
- Social responsibility
- Uncertainty

The analysis also showed that supply process complexity is the most prominent criterion, meaning that it has the greatest influence on other criteria and is also influenced by other criteria.

Managerial Implications

The results of the Fuzzy DEMATEL analysis have a number of implications for managers who are considering reshoring:

- Supply process complexity is a key consideration in reshoring decisions. Managers should carefully consider the factors that contribute to supply process complexity, such as the number of suppliers involved, the complexity of the products being produced, and the distance between the production facilities and the market.
- Environmental sustainability is another important consideration in reshoring decisions. Managers should consider the environmental impact of their supply chain

and take steps to reduce this impact, such as using sustainable materials and working with suppliers who have sustainable practices.

- Cost-efficiency is also a key consideration in reshoring decisions. Managers should carefully consider the costs associated with reshoring, such as labor costs, transport costs, and tariffs.
- Social responsibility is an important consideration for many businesses. Managers should consider the social impact of their reshoring decisions, such as the impact on employees and the community.
- Uncertainty is a factor that can influence reshoring decisions. Managers should carefully consider the risks and uncertainties associated with reshoring, such as changes in the economic and political environment.

Conclusion

Reshoring is a complex decision that requires careful consideration of a variety of factors, both tangible and intangible. The Fuzzy DEMATEL method can be used to identify the key considerations and interrelationships among decision criteria, which can help companies to make more informed and strategic decisions about where to locate their production activities.

The Fuzzy DEMATEL analysis conducted in this case study showed that supply process complexity, environmental sustainability, cost-efficiency, social responsibility, and uncertainty are the most important criteria to consider in reshoring decisions.

Managers who are considering reshoring should carefully consider these criteria and develop a reshoring plan that addresses the specific challenges and opportunities of their business.

This case study also has implications for policymakers. Governments can play a role in supporting reshoring by providing incentives to businesses, investing in infrastructure, and developing skills training programs.

Overall, reshoring is a complex but important decision that can help companies to improve their supply chains, reduce their environmental impact, and support their local economies.

6. PRACTICAL ACTIVITIES

TRUE OR FALSE:

1. **False:** The statement is false. The fashion industry is indeed undergoing a remarkable shift towards sustainability, with an increasing emphasis on responsible sourcing practices. Sustainability is evolving from a trend to a core value in fashion.
2. **True:** This statement is true. Ethical sourcing in the fashion industry encompasses fair labor practices, humane treatment of workers, and the eradication of exploitative labor conditions.
3. **True:** This statement is true. Sustainable fashion brands are focusing on eco-friendly materials and sustainable fabrics to reduce their carbon footprint and enhance the longevity of their products.
4. **False:** This statement is false. Both local sourcing and global sourcing have environmental and ethical implications in the fashion industry. The choice between them involves trade-offs and benefits related to sustainability.



5. **True:** This statement is true. Transparency and traceability in fashion supply chains are significant demands from consumers. Consumers increasingly want to know where and how their products are made, indicating the need for transparency.
 6. **True:** This statement is true. There are real-world case studies of fashion brands that have successfully adopted sustainable sourcing practices. These cases highlight the positive impacts on their businesses and the environment.
 7. **True:** This statement is true. The future of sustainable sourcing in the fashion industry is indeed affected by emerging trends, technologies, and innovations. These factors promise to further revolutionize the way fashion products are sourced and produced in a sustainable manner.
 8. **True:** This statement is true. Reshoring in the UK apparel industry can be motivated by a desire to reduce the environmental impact. Bringing production back to the UK can reduce transport costs and lead to more environmentally friendly practices.
 9. **True:** This statement is true. Reshoring in the UK apparel industry can indeed result in higher labor costs. Labor costs in the UK are typically higher than in many overseas markets.
 10. **True:** This statement is true. The Fuzzy DEMATEL method can help in identifying key considerations in reshoring decisions. It's a multi-criteria decision-making method used to analyze the interrelationships among decision criteria.
1. **Which of the following is NOT a benefit of reshoring?**
 - Reduced costs
 - Improved quality
 - Increased flexibility
 - Reduced environmental impact
 - **Increased labor costs**
 2. **Which of the following is NOT a challenge of reshoring?**
 - Higher labor costs
 - Lack of skills
 - Competition from overseas markets
 - **Reduced supply chain visibility**
 - Increased customer satisfaction
 3. **What is the Fuzzy DEMATEL method?**
 - **A multi-criteria decision-making (MCDM) method that can be used to identify the key considerations and interrelationships among decision criteria in reshoring decisions.**
 - A statistical method that can be used to analyze the relationship between two variables.
 - A forecasting method that can be used to predict future demand.
 - A production planning method that can be used to optimize the production process.
 - A quality control method that can be used to identify and correct defects in products.
 4. **Which of the following is NOT a key consideration in reshoring decisions, according to the Fuzzy DEMATEL analysis?**
 - Supply process complexity



- Environmental sustainability

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- Cost-efficiency
- Social responsibility
- **Customer satisfaction**

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8. EXTERNAL RESOURCES

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2. Supply Chain Sustainability in the Fashion Industry <https://scholarworks.gvsu.edu/cgi/viewcontent.cgi?article=1879&context=honorsprojects>
3. On the sustainability of fast fashion supply chains – a comparison between the sustainability of inditex and H&M's supply chains https://www.mnmk.ro/documents/2016_X1/Articol_5.pdf
4. Practical solutions for circular business models in the fashion industry <https://www.sciencedirect.com/science/article/pii/S2772390922000130>



MODULE 3 Worksheet

Giveaways:

1. Lean management is a systematic approach to improving efficiency and productivity by eliminating waste from all aspects of a business. It can be applied to any industry, including the fashion industry, which is characterized by complex supply chains, short product life cycles, and high demand volatility. Lean management can help fashion companies to overcome these challenges and improve their overall performance.
2. Despite the challenges, there are a number of fashion companies that have successfully implemented lean management principles. These companies have achieved significant benefits, such as reduced costs, improved efficiency, and increased productivity. By following the tips in the material, fashion companies can overcome the challenges of lean implementation and achieve the benefits of lean manufacturing. A significant portion of fashion-related pollution is attributed to garment maintenance and disposal, which is influenced by end-users. Brands and designers should strategically develop innovative solutions that address product usage, care, disposal, and the dissemination of information and culture to promote awareness and encourage responsible behaviors.
3. Sustainable sourcing is a critical component of sustainable supply chain management in the fashion industry. It involves the procurement of raw materials and finished products in a manner that minimizes environmental impact and promotes ethical labor practices.
4. Circular fashion is a new approach to fashion that aims to reduce the environmental impact of the industry by keeping clothes in use for as long as possible. This requires the adoption of innovative supply chain practices, such as the use of recycled materials, the design of durable and timeless products, and the development of new business models such as rental and resale.

Activity for Self-Reflection:

Read the following statements about fashion and decide whether they are true or false.

- A. Lean management can help fashion companies to improve their efficiency and productivity. (True)
- B. Fashion companies that have implemented lean management principles have achieved significant benefits, such as reduced costs and improved efficiency. (True)
- C. Sustainable sourcing is a critical component of sustainable supply chain management in the fashion industry. (True)
- D. Circular fashion is a new approach to fashion that aims to reduce the environmental impact of the industry by keeping clothes in use for as long as possible. (True)
- E. Fashion consumers have a significant impact on the environmental impact of the fashion industry through their garment maintenance and disposal practices. (True)



F. Brands and designers should develop innovative solutions to address product usage, care, disposal, and the dissemination of information and culture to promote awareness and encourage responsible behaviors among fashion consumers. (True)

The Case of VATHOS Apparel - VATHOS Apparel is a Greek fashion brand that is committed to sustainable and ethical production. The company uses 100% organic materials and works with small, family-run businesses to produce its clothes.

Find out more in Module 3 through the online cooperative platform <https://tecofash.erasmus.site/>

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1. MODULE TITLE**Module 4: Sustainability and Innovative Leadership in fashion industry****2. SHORT MODULE DESCRIPTION**

The awareness of environmental problems and the need to conserve natural resources to ensure future generations led in the last decade to the development of the concepts of "sustainability" and "sustainable development", setting the framework for redefining entrepreneurship. Recognising the competitive advantage that comes from sustainable strategies, modern businesses are balancing their success between profit, environmental preservation and the well-being of society. Green leadership is the source of inspiration and continuous influence of stakeholders for the implementation of sustainable activities in an organisation. The 'green leader' is called upon to instill a 'green culture' in the whole organisation with regard to the achievement of sustainability. At a practical level, the integration of sustainability in an organisation takes place in the area of production. Sustainable production, as an evolution of the philosophy of 'rational production' and based on the product life cycle, aims to produce industrial products using inputs, processes and systems that promote sustainability. Key points in the implementation of sustainable production are the management of energy, material and waste flows and the definition of appropriate indicators in the system for measuring and evaluating the integration of sustainability. The path towards sustainability is a process of continuous improvement and evolution involving a change of culture in a company, the dynamic presence of leadership, the commitment of management and stakeholders and finally a review of the production process.

3. TOPICS FOR COLLABORATIVE FORUM

1. Employee training in the fashion company.
2. Digital solutions in management for fashion industry.
3. How the fashion company works?

4. EMPLOYEE TRAINING IN THE FASHION COMPANY

- a. On-the-job training and development of human resources.
- b. Content and benefits of in-service training.
- c. Aims and objectives of in-company training.

1. SUB-MODULE TITLE**5. INTRODUCTION (SUB-MODULE DESCRIPTION)**

- 4.1.** Employee training in the fashion company



This chapter refers to the content and historical development of the phenomenon of in-company training and presents the contemporary trends that have emerged in recent years in the field of in-company training in fashion industry. It then goes on to analyse its critical dimensions, its aims, objectives, and the benefits it entails for modern enterprises. At the same time, extensive reference is made to the concepts of human resources development and human resources management, outlining their basic dimensions and functions, as well as their differences, while at the same time highlighting their contribution to the development of employees' skills and the achievement of a company's objectives. Finally, it highlights the role of in-house training in the development of human resources and the overall operation of a company and presents the ways in which it can give a company a competitive advantage and enhance its productivity and efficiency.

6. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)

1. Evaluate the significance of incorporating training procedures in the organization.
2. Identify strategies to inspire and encourage personnel to enhance their skills and knowledge, by creating a supportive and collaborative workplace culture.
3. Determine the most effective approaches to streamline and enhance the training process for new recruits, by selecting appropriate methods, materials, and assessment tools.

7. LEARNING CONTENT

On-the-job training and development of human resources



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As organizations, firms are institutions that in our synchronicity significantly define the market, as they produce products and provide services necessary to satisfy our needs (Williams & Anderson, 2012). And as Uhl-Bien, et al. (2016) argue, they are agents of power and authority that, through the decisions they make, their impact spreads not only to the level of the worker, but also more broadly, to the level of society and states. Understanding the specific characteristics of the behavior of an organisation, which is a human collective in which a particular structure of formal relationships, roles, systems, rules, and procedures are developed in a hierarchical way in the light of a specific strategy

and defined objectives is very important, especially for those in the management pyramid who are actively involved in decision-making. This is because they have to be aware of the mechanisms that trigger human behavior, the principles and methods of exercising leadership, the factors that affect communication in the workplace, the causes, and methods of solving problems, weaknesses and dysfunctions that arise in the management of processes within the organisation (Mullins, 2012). In short, skills are required that can have a decisive effect on businesses and organisations.

These skills, which are a prerequisite for any modern workplace, have highlighted the need for a specific form of training, focusing on the investigation of training needs and the design and implementation of programmes aimed at developing human resources. The term 'human resources', which has been widely used in recent years, is preferred to the term 'staff' or 'employees' as it highlights the importance of the human factor in modern business (Pace et. al., 1991), as it is perhaps the most critical component in the growth and sustainability of a business. Human resources and their development is the concern of a firm's human resources department, whose concern is not only to provide the firm with the required number of employees, but also to staff the firm with employees who possess the necessary knowledge, skills and abilities and who can develop and contribute in various ways to the growth of the firm. Human resource needs vary and are defined separately (Garcia, 2005). Each person carries his or her own load of knowledge, skills and experience, resulting in multiple identities and roles, different motivations and consequently different needs developing within a firm.

So, for example, before new recruits take up their duties, they need training on the scope of their position and the procedures developed within the company. Providing appropriate training ensures high productivity of new employees and the best use of their potential (Chitteris, 2001). Older workers, respectively, need to be trained to meet any new demands as well as, to improve and prepare them for taking on more and more important tasks. Therefore, training needs may be different depending on the target population, but the need for additional training is unquestionably necessary in every case and for all workers. Considering the different needs, in-service training is a learning process aimed at acquiring the knowledge and skills that are deemed necessary to enable the employee to meet the demands of his/her job (Chitteris, 2001).

Employees are a critical and key parameter in any organization, therefore the achievement or not of its objectives is closely related to the development of employees and the performance of their skills according to the purpose of the job description. Therefore, in recent years, organisations have appeared positive in developing the technical and scientific skills in general of their workforce, through the implementation of various training programmes, in order to achieve an increase in the performance of employees and their overall development. And when we talk about employee development, we are actually talking about the development of the competences of each individual, but also of the organisation as a whole (Antonacopoulou, 2000). Therefore, employee training is inextricably linked to employee performance. This means that if employees through training are more skilled, this will result in a greater degree of job satisfaction, a greater degree of organizational commitment, and consequently their performance will improve and increase. And undoubtedly, when the performance of employees is promoted, the



effectiveness of the organization increases (Champathes, 2006).

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Content and benefits of in-service training



Image by [Freepik](#)

Today, all over the world, a multitude of companies offer various in-house programmes to improve the skills of their employees, based on the same logic. Mel Kleiman (2000) described that the key parts of a worthwhile employee in-house training program are designed based on employee orientation, management skills and business skills, theories that form the basis of any employee development and in-house training program.

Human resource development refers to the integrated use of all available resources to train employees, organise and develop work capabilities and improve the effectiveness of the individual, team and organisational structure. According to Swanson (2001: 245) it is that "area of research and practice that involves the integrated application of training and development, organisational development and career development to improve individual, group or organisational effectiveness".

As a process, it promotes the basic competences that enable individuals, within companies and organisations, to staff existing and future jobs through well-organised and planned learning activities. Teams within organisations use HRD to initiate and manage the required changes, while ensuring a match between individual and organisational needs.

Often, the term human resource development is often confused with human resource management (HRM). Undoubtedly, these are two very important management concepts that are specifically related to the human resources of the organization. Although they are often used as identical, as concepts they can be differentiated for the following reasons (Nordhaug, 1993:156):

- HR management is mainly management-oriented (management tasks, employee records, payroll, etc.), while HR development is learning-oriented. Also, the structure of the organization in the case of human resource management is independent, while human resource development creates a structure that is interrelated and interdependent.

- human resource management aims to increase the effectiveness of employees, while human resource development aims to develop employees as well as the organisation as a whole.
- Responsibility for human resources development is assigned to the personnel/human resources management department and specifically to the personnel manager, while responsibility for human resources management is assigned to all managers performing similar tasks at different levels of the organisation.
- Human resource management motivates employees by providing them with financial incentives or rewards, while human resource development emphasizes the motivation of people by satisfying higher order needs.
- Human resource development is considered a necessary condition for increasing productivity, forming better relationships, as well as greater profitability for any organization.

Its benefits include the following (Torrington et. al., 2005:467):

- Human resources development makes workers more competent, as it contributes to the development of new skills, knowledge, and attitudes in the workforce. By implementing a proper HR development programme, employees become more committed to their work and are also evaluated on the basis of their performance as the whole process provides them with an acceptable performance appraisal system. At the same time, HR development helps to create an environment of trust and respect within the organisation, as well as acceptance of any changes required.
- Employees are optimally equipped with problem-solving capabilities through human resource development. In this light, their personal development is promoted, while at the same time the team spirit in the organisation is strengthened. By making the right use of the available resources, it also actively contributes to the creation of a 'culture of efficiency', which leads to greater organizational effectiveness, as predefined objectives are achieved
- Together, human resources development significantly improves the levels of employee participation, as they develop a sense of moral commitment to their work in the performance of their responsibilities. Finally, it contributes to the collection of useful and objective data regarding the company's employee programs and policies, data that further facilitates better human resource planning.

It follows from the above that in-company training is closely related to human resources development, since it aims at cultivating and acquiring new skills in employees in order to better meet the job requirements of their position. Considering the human factor of a



company as the most important factor for its development, in-company training focuses on

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human resources and on meeting the training needs of the company's workforce as far as possible.

Furthermore, the role of in-company training in the development of human resources' skills has important implications for their overall development. As Phillips (2009) points out, a workforce that is properly trained and competent can more effectively manage any changes in a company, which is why most companies are moving towards strengthening their human resources in order to develop new and specialized knowledge, as well as social and communication skills, a cooperative spirit and flexibility, which contribute to the effective handling of activities related to all aspects of human resources. Papastefanakis (2015:45) summarizes the benefits of in-house training in human resource development, highlighting the need for training that contributes to the following:

- Change
- Increased productivity
- Specialization
- Error reduction
- Safety

As Torrington et al., (2005) point out, technological development, changing consumer needs, changes in the institutional framework, regulations and the environment, the introduction of new materials, systems and services by companies and organisations in order to meet the needs of international competition, contribute to the restructuring of occupations and requirements. In such circumstances, there is a need to redefine and constantly review the skills that workers need to possess in order to respond in the best possible way to the tasks assigned to them and to new developments.

Moreover, according to Halas (2009), the introduction of in-house training programmes by firms and organisations provides them with the opportunity for continuous development and innovation in the highly competitive business environment. At the same time, the training of human resources, apart from strengthening the knowledge and skills of employees, brings a change in the philosophy of people and companies, which is particularly important: the change in the attitudes of employees, which is achieved through their continuous training, which contributes decisively to the development of companies. An employee must be able to participate effectively, to help, to have the ability to solve problems, to promote innovation and to contribute to decision-making. The development of human resources, therefore, creates a social context within the firm within which creativity and innovation are enhanced (Gibb & Waight, 2005).

At the same time, training helps to ensure that employees' attitudes towards customers



and colleagues, trust, respect, and tolerance are at such levels that a good communicative

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climate of trust and calm is created within the company, which in turn promotes individual and collective development (Nassazi, 2013).

In order for these changes to take place, it is important to motivate employees in this direction through various incentives that can be offered to them, such as the provision of training services (Nassazi, 2013).

Aims and objectives of in-company training



Source: Image by wirestock on [Freepik](#)

The competitiveness of any business is primarily based on the quality and skills of its employees. Staff training can improve their performance and productivity and ensure that they have the skills required by the business. Effective training can be critical when recruiting new employees or in the process of changing business practices or in other situations, for example in the production of new products. Also, as a business grows, the skills required to remain successful may potentially change. (Rosenwald, 2000), which means that its employees need to acquire them in order to maintain their position and for the firm to achieve its goals.

Workforce training and development activities have attracted the interest of both the business and academic communities. This fact is demonstrated by recent data revealing that organizations spend over \$30 billion annually in this area (Saharan, 2011). As the statistics show, the investments that organizations and businesses are making in training their workforce are constantly increasing. Increasingly, companies today are designing and implementing training plans in a systematic manner, identifying the training needs of their staff, resulting in training activities being crowned with success and having measurable positive consequences for the company (Black et al., 2001). For example, as reported by Milhem et al. (2017), the number of hours of training and in-company training that organisations and firms devoted to their workforce increased on average from 4,000 hours in 2009 to 4,670 hours in 2016.

The purpose of in-company training can be considered to be the acquisition, development and maintenance of the stock of human capital that an organisation or enterprise needs to conduct its activities. In the broadest sense, in-company training is undertaken in order to

improve work performance. Hence, training refers to the planned and systematic efforts of the firm to change or develop the knowledge, skills and attitudes of its employees by providing them with learning experiences. As an activity, in-company training takes, as will be discussed below, several forms, including the distinction between education and training, on-the-job and off-the-job training, and formal and informal training through work experience (Dearden et al., 2006).

Training and education have grown significantly in recent years, particularly in terms of their importance and influence in various market sectors. Consequently, companies seem to be well aware that investing in training projects for their employees has a significant impact on the success and realization of their strategic objectives and in this light they now perceive training as the tool to gain a competitive advantage in the market.

8. CASE STUDY

Fashion Marketplaces – The Future of Upcoming Fashion Brands Post COVID-19



Source: Image by peoplecreations on [Freepik](#)

2020 has been a not-so-good year so far, especially for the fashion industry. Even before the outbreak of the novel Coronavirus, the fashion industry leaders were not optimistic about 2020. The financial markets have been volatile and the crushed consumer demand due to the Corona virus has traumatized the fashion industry tremendously. The coronavirus has increasingly been harming the fashion industry and it escalated quickly during the last month and caused brands and design houses to shutter their doors and postpone upcoming runway shows. The fashion industry's most iconic and significant events like the Met Gala and CFDA (Council of Fashion Designers Awards) have also been postponed indefinitely and the impact is becoming much more apparent now.

Major department stores like Nordstrom, Neiman Marcus, Macy's, Selfridges, and Saks Fifth Avenue have closed their stores worldwide and other retailers like Chanel, Ralph Lauren, Walmart, Apple, Urban Outfitters, Everlane, Lululemon, Glossier, and many more

have also latched their doors to contain the virus. If big brands are taking such drastic steps amidst the virus, the state of affairs of smaller and upcoming labels is unimaginable

As the world is under the grips of COVID-19, with people home quarantined and cities locked-down, be ready to witness a dramatic transformation in the fashion Industry with a dip in flowing funds. With so many stores being shut down amid the lock-downs, brands that do not have an online presence might fail to sustain once this is over. For such small upcoming brands, fashion marketplaces might be the perfect option. Please also find a good read on this by BOF “Time to Rewire the Fashion System”

Why a fashion marketplace?

A fashion marketplace is essentially a type of multichannel e-commerce and can be a way to streamline the production process. It can be a great way for retailers especially new start-ups or small scale businesses to get discovered, while being cost-effective and attracting the right audience. These marketplaces spend a lot of time, money and effort to acquire traffic from various platforms. In times like these, they can prove to be a great bet when it comes to e-commerce.

Here are a few benefits of marketing a brand in a fashion marketplace :

- Listing your brand on a marketplace is a cost-effective way of presenting it to customers, especially during these tough times
- The marketplace creates an identity for your brand so you can skip putting an effort to build a social media presence.
- A marketplace can help acquire more customers as they have a huge database facilitating clients to discover new brands easily.
- A marketplace presence is great to collect reviews plus feedback from customers and use it as testimonials for the company.

Some of the Fashion Marketplaces which can help

Nineteenth Amendment is a unique marketplace that operates on a pre-order model. They mainly focus on a reduction in inventory costs for quick-turn production and on-demand retailing. Keeping the current situation in mind, the Nineteenth Amendment is a great option for new upcoming brands as this marketplace is not only cost-effective but can help the brands to avoid an accumulation of extra inventory – a problem many retailers are currently facing.

ShopStyle.com is a marketplace that offers a smarter way to shop. With over 14,000 brands, you can discover new looks and trends, never miss a sale and earn Cash Back every day. ShopStyle is known to reach more shoppers at more points than any other platform while delivering targeted awareness for your brand across a wide range of shoppers. ShopStyle also has a network of over 20000 influencers, helping them to monetize their content. Retailers can work with custom influencer campaigns to increase their sales potential as well as brand awareness.



Zalora – If you are an Asian brand, Zalora is a great marketplace option for you. They have a huge variety of the most coveted local brands along with many regional and international brands. Brands can have their own personalized shop on the platform, set your own prices and basically own a shop virtual space. They have a huge customer base which again helps in brand awareness and wider clientele.

Zalora Marketplace - As we enter a new decade, there is going to be a major shift in consumer behavior post-COVID-19 and it will play a major role in how retailers can choose their marketplace.

A consumer shift towards Sustainability and Responsibility towards the environment

As we are spending more time quarantining, I am sure many of us are going back and thinking about our choices that we made pre-COVID19 and how it may have impacted our environment. Many of us are realizing that the unnecessary buying done on fast fashion websites is not a necessity and most of the times we are slaves to mere compulsive shopping.

We are going through a life-altering time right now, that is making us reflect on the choices that will bring value around sustainability into sharp focus and more and more shoppers will start shopping consciously.

The gen-z and millennial shoppers were already at the forefront of clean and sustainable fashion even before the crisis hit the world and now their concerns have heightened. The fact is that brands who will reorient their business models around sustainability will be able to cater to a more captive audience.

MAMOQ – is an online retailer that partners with 85 brands and only sell items that have a positive impact on our planet. It is a highly curated platform that offers clothing and accessories, all under one roof to help shoppers find eco-friendly alternatives. “The concept came out of a frustration of being unable to easily find high quality, stylish sustainable brands that could be trusted. We wanted to help environmentally and ethically conscious consumers find stylish clothing that reflects their values, whilst creating a greener, more positive world,” explains CEO Madeline Petrow, who co-founded the company with Matt Williams and Lenny Leeman. The marketplace curates accessories and clothing and brings them under one roof to allow shoppers to quickly locate eco-friendly alternatives.

Wardrobe of Tomorrow is a fashion marketplace dedicated to an ethical, cruelty-free, and sustainable fashion marketplace. It is a place for conscious designers that fight to reduce greenhouse and CO2 emissions, environmental footprint, waste, and pollution. This marketplace offers eco-conscious, bespoke gender-free, vegan and up-cycled products that are not harming the environment. As a sustainable designer, if your application is accepted, their team of branding experts will construct a dedicated brand profile page and your very own shop, for increased brand awareness and visibility along with free advertising support, and preferential prices through their global network of social media influencers.

Credo is a clean beauty marketplace for beauty brands. This clean beauty shop offers a wide variety of cruelty-free to non-toxic ingredients options at every price point, and for every



skin type. Beauty is one of the least regulated consumer category and Credo is on a mission to establish the highest standards in beauty. They are dedicated to inclusivity, transparency, and education when it comes to beauty products.

TheGreenLabels – At the Green Labels, their philosophy is to envision a world where people can easily find and buy products that have a positive impact, both on themselves and the world. They are a European based marketplace making sustainable fashion accessible and also creating a demand for sustainability. They provide 100% transparency in every aspect and all their products are locally sourced, vegan, clean, and low on waste. It is a great platform for labels whose values resonate with theirs.

The coming few months are going to be challenging for brands both big and small and marketplaces can be a saving grace for many of those brands, especially the new ones. We will also see a shift in consumer preferences and choices post this pandemic. This is the time for brands to observe, study and rethink their business models and strategies, giving utmost importance to environment and sustainability.

Hope is a decision we all need to make and work together towards reforming the fashion industry.

9. PRACTICAL ACTIVITIES

True/false questions

1. Organizations produce products and provide services necessary to satisfy our needs.

True

2. The behavior of an organization is influenced by its structure, formal relationships, roles, systems, rules, and procedures. **True**

3. Human resources are the most critical component in the growth and sustainability of a business.

True

4. In-service training is a learning process aimed at acquiring knowledge and skills necessary to enable the employee to meet the demands of his/her job. **True**

5. Human resource development refers to the integrated use of all available resources to train employees, organize and develop work capabilities and improve the effectiveness of the individual, team and organizational structure. **True**

6. Human resource management and human resource development are interchangeable terms.

False

7. The responsibility for human resource development is assigned to the personnel/human resources management department and specifically to the personnel manager. **True**

8. Human resource development aims to increase the effectiveness of employees while human resource management aims to develop employees as well as the organization as a whole.

False

9. In-company training is closely related to human resource development as it aims to cultivate and acquire new skills in employees.
True
10. In-house training can improve the performance and productivity of employees.
True
11. Effective training can only be critical when recruiting new employees.
False
12. Workforce training and development activities have not attracted the interest of the business and academic communities.
False
13. The purpose of in-company training is to improve work performance.
True
14. Companies are investing in training projects for their employees to gain a competitive advantage in the market.
True
15. The importance and influence of training and education have declined in recent years.
False

Single choice set

1. What is the impact of COVID-19 on the fashion industry?
A. It has had a positive impact on the industry
B. It has not affected the industry
C. It has caused brands and design houses to shut down
D. It has only affected big brands
Answer: C. It has caused brands and design houses to shut down
2. What is a fashion marketplace?
A. An event for fashion designers to showcase their collections
B. A website where people can buy and sell second-hand clothing
C. A type of e-commerce platform for retailers to sell their products
D. A social media platform for fashion influencers
Answer: C. A type of e-commerce platform for retailers to sell their products
3. What are the benefits of marketing a brand in a fashion marketplace?
A. It is expensive
B. It is not cost-effective
C. It helps to acquire more customers
D. It is difficult to set up
Answer: C. It helps to acquire more customers
4. What is the coming shift in consumer behavior post-COVID-19?
A. A shift towards unhealthy habits
B. A shift towards fast fashion
C. A shift towards sustainability and responsibility towards the environment
D. A shift towards luxury fashion



Answer: C. A shift towards sustainability and responsibility towards the environment

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5. Which of the following marketplaces is a clean beauty marketplace?
- A. ShopStyle.com
 - B. TheGreenLabels
 - C. Nineteenth Amendment
 - D. Zalora

Answer: B. TheGreenLabels

Matching activity

Match the correct term to its definition:

Term:

Epidemic

Pandemic

Outbreak

Definition:

A sudden increase in the number of cases of a disease above what is normally expected

A worldwide spread of a new disease affecting a large number of people

The occurrence of cases of a disease in excess of what is normally expected in a particular place or group of people

Answer:

Epidemic: A sudden increase in the number of cases of a disease above what is normally expected

Pandemic: A worldwide spread of a new disease affecting a large number of people

Outbreak: The occurrence of cases of a disease in excess of what is normally expected in a particular place or group of people

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11. EXTERNAL RESOURCES

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https://www.linkedin.com/pulse/importance-training-employees-fashion-industry-shunpuofficial/?trk=public_post The Importance of Training Employees In The Fashion Industry

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1. SUB-MODULE TITLE

4.2 Digital solutions in management for fashion industry.

2. INTRODUCTION (SUB-MODULE DESCRIPTION)



In the fashion industry the pandemic situation has brought a huge digital revolution, which has also led to more environmentally conscious decisions. Major fashion houses, thousands of online retailers and designers are advocating for innovations that save not only the planet but also the industry. In addition to eco-conscious production and sourcing sustainable raw materials, the focus is on transforming packaging and moving to a circular economy as soon as possible. And here too, it is consumers who are leading the initiative by reading, asking questions and taking action. In what way? By choosing brands, raw materials and packaging. Consumer research confirms consumers' sensitivity to eco-friendly packaging, according to which they are willing to pay an even higher price for more sustainable packaging.

3. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)

1. Analyzing the importance and advantages of the digitization process in the fashion industry to evaluate its impact on the market.
2. Applying knowledge of digital data to adapt human resources and integrate them into new technological systems.
3. Creating and improving digital tools to evolve and enhance their effectiveness in the fashion industry.

4. LEARNING CONTENT

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Fashion in the era of digital reproduction

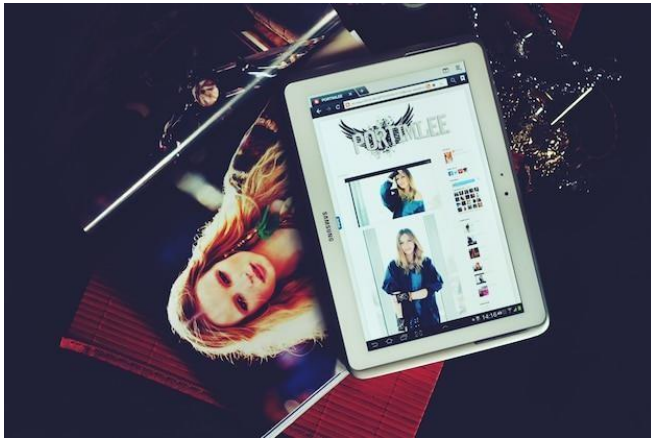


Image by kaboompics on [Freepik](#)

The fashion industry has been a major part of the retail sector. The emergence of the digital reality has brought about changes in the way fashion is perceived and designed. Designers are now considering the structure of clothing in the context of the new reality. The COVID-19 pandemic has accelerated the shift towards covering the body rather than exposing it to the environment. The digital reality has also changed the way fashion is perceived through the senses, with visual appeal becoming more important than tactile sensations. The rise of avatars and 3D holograms has enabled people to learn how to wear clothes digitally. Digital clothing offers many advantages such as durability, immortality and the ability to overcome constraints such as identity, gender, and size. However, it is unclear if digital clothing can capture the creativity and uniqueness of traditional fashion.

The department stores in the city center





Image by prostooleh on [Freepik](#)

The retail industry's response to the demands of the 19th century middle class was the creation of department stores. These stores, such as Marshall Field, Harrods, Selfridges, Le Bon Marché, and Galeries Lafayette, dominated metropolitan centres until the post-war period. With the advent of car use, retailing in the suburbs of cities began, with supermarkets and discount stores gaining popularity. The success of department stores is now judged by their management's ability to plan effective strategies and exploit local or temporal opportunities. In Greece, department stores like Athenée, Bros. Lambropoulis, Claoudatos, and Mignon were established in the post-war period, and they continue to play a vital role in the vitality of urban shopping centres. However, they faced a crisis in the mid-1990s, as they gradually gave way to regional shopping centres and malls. Department stores attract mainly middle and high-income consumers, as well as tourists, but they were severely affected during the pandemic. Today, they are attempting to adapt to omnichannel and health requirements to reduce queuing and shopping time.

Smart cities and commerce



Image by shayne_ch13 on [Freepik](#)

Smart cities are a priority for local governments in the coming years, with the aim of responding more effectively to the needs of modern times through the development of

digital infrastructure. This includes improving public services, reducing greenhouse gas emissions, developing sustainable trade models, and enhancing the quality of life for citizens. As part of this effort, commercial markets and shopping centers will be examined to see how they can be upgraded to meet modern consumer demands and contribute to economic development and urban regeneration. This may involve incorporating digital infrastructure and services to enable efficient omnichannel approaches and benefit retailers. Additionally, smart cities may contribute to the rapid changes in warehousing, picking, and transportation of goods. The quality of the internet is also an important factor in the adoption of digital infrastructure.

The fashion industry after the pandemic



Image by [Freepik](#)

The fashion industry is going through a transformation due to the pandemic, the climate crisis, and changing consumer patterns. The industry is shifting towards circular business models with a focus on reusing and recycling raw materials, moving away from the fast fashion trend that lasted for over three decades, and towards sustainable fashion. In Greece, many brands are adopting such practices and launching sustainable collections in response to circular economy demands, despite reducing profit margins. Along with this "green" transformation, the industry is also undergoing a digital transformation at production, logistics, and retail levels. Large apparel companies are incorporating technologies that facilitate personalized shopping suggestions and remote testing, including digital fitting rooms, digital stylists, and other capabilities based on AI, machine learning, augmented reality, and digital technologies.

E-commerce and innovation



Image by lyashenko on [Freepik](#)

In the last decade, the e-commerce industry has grown tremendously and has continuously incorporated various technological innovations. Technologies such as artificial intelligence, machine learning, big data, and the Internet of Things have made practices that were once impossible to imagine, possible. These technological advancements offer opportunities for the diffusion of innovation and the creation of innovation clusters, providing solutions that respond to the growing need for consumers to be constantly connected. Until recently, physical stores were not concerned with the digital environment. However, during the pandemic, traditional physical stores were not prepared with infrastructure and services to respond instantly and effectively to remote consumer demand. Thus, e-commerce, including the major online platforms, was identified with a reliable distribution system for products and services. In this new digital shopping environment, competition within the traditional retail ecosystem has increased due to the many online stores, large online platforms, and social media, which also function as 'digital storefronts.' This raises several concerns, such as the terms of competition between online retailers and physical stores, the charging models of retailers on different platforms, how online stores can avoid parasitism of non-internet shopping in online shopping, how dual pricing and dynamic pricing work, how the quality of the internet affects the growth rate of e-commerce, the identified barriers to domestic and cross-border activity, and the needs created by the growth of e-commerce in the country. Additionally, this growth highlights the need for digital business training in certain areas.

The digital technologies that are changing commerce



Image by [Freepik](#)

The emergence of the internet has changed the retail industry, giving rise to new business models in the sharing or collaborative economy. The period of 2010-2020 saw rapid technological advancements, leading to the development of an ecosystem of digital technologies on smart devices. However, many small and micro stores were hesitant to adopt these technologies due to lack of expertise or resources. The Covid-19 pandemic forced a radical rethink of business models, with small businesses in the retail sector compelled to adopt digital tools to engage with consumers. Digital transformation has become essential for the growth and sustainability of businesses. The adoption of digital technologies can lead to better communication between businesses, suppliers, and consumers, and potentially reduce operating costs. It also raises questions about the coexistence of small businesses and multinational enterprises, and how small businesses can benefit from digital technologies.

Transforming stores through technology

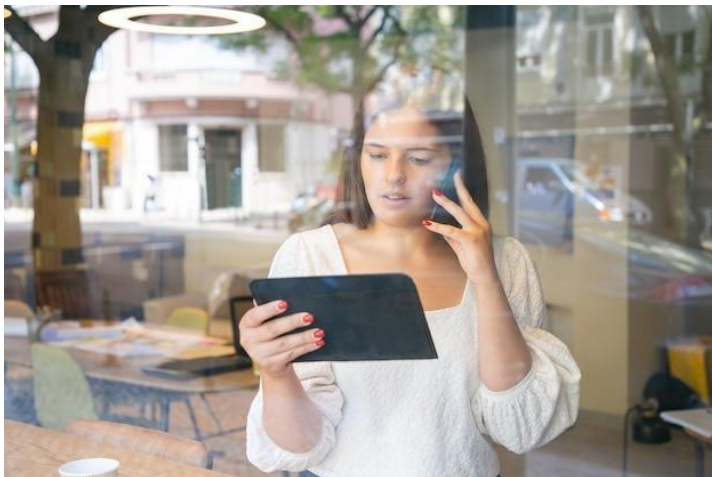


Image by pch.vector on [Freepik](#)

The changing landscape of retail is bringing about transformations in physical stores. These changes are often a response to wider shifts in the economy, technology, and globalization.

Over time, physical stores have evolved from small independent shops to department stores, supermarkets, hypermarkets, and shopping centers. Despite these changes, the physical store has remained a channel connecting producers and consumers, offering various payment options such as cash, credit cards, and digital wallets. However, in the last decade, e-commerce has experienced significant growth, with dynamic merchants capturing the largest market share. The COVID-19 pandemic has been a major shock for physical stores, which traditionally relied on face-to-face customer interaction. To adapt to the changing landscape, retailers are now challenged to adopt digital solutions such as e-commerce platforms, direct delivery services, data analysis, and virtual or augmented reality technologies to enrich the customer experience.

Trade and Sustainability



Image by [Freepik](#)

The COVID-19 pandemic has accelerated the adoption of sustainable consumption patterns, with an increasing focus on environmentally-friendly products. This crisis has also highlighted the need for a shift towards a sustainable development model, linking to the issue of climate change. The European Union has been promoting the Green Agreement in response to the Paris Agreement and the UN Sustainable Development Goals, which urges companies to set environmental targets. With a significant part of the Recovery Fund expected to finance sustainable development actions, businesses are expected to prioritize the efficient use of natural resources, the reuse and recycling of products, waste reduction, and energy efficiency. The Russia-Ukraine war has underscored the importance of self-sufficiency and sustainable development. In the food sector, retailers and wholesalers have been supporting local food producers and suppliers to promote sustainable and local production, while meeting changing consumer demand and providing nutritional information. In the fashion sector, there is a shift towards ecological principles and socially responsible and fair production practices. The transition to a green economy is a major objective of the decade to ensure sustainable development. Given Greece's geographical exposure to the climate crisis, promoting sustainable development is crucial. Small

commercial enterprises must adapt to these changes and reach the sustainable

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development goals. However, there is a risk that the sustainability objective may lead to a violent "creative destruction" in the retail sector.

Smart Transactions & New Trends in Payments



Image by jcomp on [Freepik](#)

Convenience, in terms of consumers managing their shopping experience, is one of the most important challenges in the coming years. Already, in recent years, with the spread of e-commerce, consumers have become familiar with many different payment methods and the use of biometric identity checks to secure transactions. Particularly since the pandemic, however, they seem to have greater demands for easier payment methods, across all online and offline channels of a business. However, in addition to the necessity of becoming familiar with new payment trends in order to offer smart transactions, a merchant business is also forced to address the issue of the cost of bank commissions. The cost of using payment services, in particular the cost of supplying the technical equipment (POS) and the high fees charged by banks for electronic transactions, affect small businesses the most, which are, however, the backbone of the Greek economy. This, combined with the high cost of access to the Internet, creates a further peculiar inequality between small and large commercial enterprises in terms of access to electronic transactions.

Artificial intelligence in retail



Image by Lifestylememory on [Freepik](#)

Over the last decade, the evolution of digitalisation, artificial intelligence, machine learning and the 'Internet of Things' has been pushing many economic structures, including retail, into constant change. The applications of AI in retail touch the entire shopping experience, from product search, in-store robotic customer support, personalized recommendations in clothing, footwear, and make-up, to biometric features for automated payments, digital shelves and fitting rooms, digital assistants and employee-free stores.

The tourism footprint in retail trade



Image by [Freepik](#)

The "triple crisis" (fiscal, health and price crisis) has highlighted the need for a new sectoral specialization of the Greek economy in order to improve its resilience. Some sectors are considered to be of strategic importance for the transition of the Greek production model. One of these sectors is tourism, whose contribution in terms of value added and employment has been significantly enhanced until 2019. Tourism, as the economy of final consumption, creates linkages with other sectors of the economy, bringing about significant multiplier cross-sectoral benefits.

The retail sector is one of the most typical cases of these interrelationships. However, it can be observed that tourism expenditure has become more inelastic over the years, with the result that tourists tend to budget their potential costs before they travel. Also, the gradual growth of the "all inclusive" tourism sub-sample is associated with significant changes in tourism demand, directly affecting tourism retailers. Another factor that represents a major change in tourism activity is the explosion of short-term property rental, which, in addition to the restaurant and entertainment sector, also affects the retail sector.

The impact of technology on work and business



Image by [Freepik](#)

Historically, technological transformations have been associated with changes in the level of employment. It is no coincidence that each phase of the Industrial Revolution was associated with broader changes in the structure of employment. The first Industrial Revolution brought the peasant to the factory, the second Industrial Revolution placed the worker on the 'production line', while the third forced him to 'converse' with technology. John Maynard Keynes spoke of 'technological unemployment' (structural unemployment), in other words, the loss of jobs caused by the development of technology, but he also pointed to the future adaptation to technological innovations. Technological progress transforms the labour market, reducing (or eliminating) the demand for labour in certain sectors and increasing demand in others. In trade in particular, technological transformations imply radical changes in the structure of industrial relations in the sector. New qualifications and high skills are now seen as crucial. On the other hand, the adoption of digital practices is putting pressure on traditional occupations in commerce, exacerbating so-called flexible forms of work. In Greece, trade continues to be the most important employer in the country (17.9% of total employment in 2021), with the share of part-time employment in the sector decreasing significantly (from 8.3% of total jobs in 2021 to 10.3% in 2020), documenting the creation of stable jobs. In any case, however, the challenges of digitization in employment remain open.

5. CASE STUDY

Digital Marketing Strategy in fashion sector: Case Study of Tsakiris Mallas



In today's digital-centric era, our reliance on the Internet, accessed through various devices like smartphones, computers, and digital TVs, has become second nature. Companies, too, have recognized its potential, leveraging it for promotions and brand-building.

Digital marketing encapsulates more than just online advertising. It's about using digital avenues to not only showcase products but also manage relationships and data about customers. E-commerce has thrived in this environment, with businesses using tools ranging from social media and email campaigns to content promotion and affiliate collaborations.

The Greek footwear company Tsakiris Mallas serves as a great example in this context. As part of the expansive fashion industry, which has a significant global presence and online influence, understanding key performance metrics is crucial. Social media, in particular, has revolutionized how consumers perceive and engage with fashion brands. While its role in shaping consumer choices and boosting brand visibility is undeniable, the deeper aspects of brand awareness in this realm are yet to be fully explored.

The key is to determine how to elevate a brand's recognition on social media platforms.

6. PRACTICAL ACTIVITIES

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Single choice set

1. What is the main topic discussed in the conference entitled "Fashion in the age of its digital reproduction"?
- A. The challenges of department stores
 - B. The transformation of the fashion industry after the pandemic
 - C. The role of digital technologies in changing commerce
 - D. The impact of the metaverse on the fashion industry

Correct answer: D. The impact of the metaverse on the fashion industry

2. What is the main challenge for department stores in the pandemic?
- A. Adapting to omnichannel requirements
 - B. Planning effective strategies
 - C. Exploiting local or temporal opportunities
 - D. Reducing greenhouse gas emissions

Correct answer: A. Adapting to omnichannel requirements

3. What is the focus of the panel discussion on "Smart cities and commerce"?
- A. Implementing smart city projects
 - B. Examining the role and contribution of commercial markets
 - C. Developing sustainable trade models
 - D. Regenerating urban areas

Correct answer: B. Examining the role and contribution of commercial markets

4. What is the main question raised in the section on "E-commerce and innovation"?
- A. How does the quality of the internet affect the growth rate of e-commerce?
 - B. How can retailers benefit from smart cities?
 - C. What are the major changes occurring in the domestic retailing of apparel?



D. What are the new skills required in the fashion industry?

Correct answer: A. How does the quality of the internet affect the growth rate of e-commerce?

5. What is the main focus of the presentations in the section on "Transforming stores through technology"?

- A. The physical store of the future
- B. The challenges faced by small businesses
- C. The adoption of digital technologies in the retail sector
- D. The role of technology in reducing operating costs

Correct answer: A. The physical store of the future

6. What is the focus of the panel on trade and sustainability?

- A. How Greece can promote sustainable development
- B. The impact of technology on work and business
- C. Smart transactions and new trends in payments
- D. Artificial intelligence in retail

Correct answer: A. How Greece can promote sustainable development

7. What is the primary challenge faced by merchants when it comes to smart transactions?

- A. Addressing concerns about security and protection of personal data
- B. Providing lower charges to small and medium-sized commercial enterprises
- C. Offering easier payment methods across all online and offline channels
- D. Managing the cost of bank commissions

Correct answer: D. Managing the cost of bank commissions

8. Which sector is considered of strategic importance for the transition of the Greek production model?

- A. Retail
- B. Manufacturing
- C. Tourism
- D. Agriculture

Correct answer: D. Agriculture

9. What is the historical association between technological transformations and employment changes?

- A. Each phase of the Industrial Revolution brought an increase in demand for labor in certain sectors
- B. Technological progress transforms the labor market, increasing demand for labor across all sectors
- C. Each phase of the Industrial Revolution was associated with broader changes in the structure of employment
- D. Technological progress reduces the demand for labor across all sectors

Correct answer: C. Each phase of the Industrial Revolution was associated with broader changes in the structure of employment

10. Which sector continues to be the most important employer in Greece?

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- A. Manufacturing
 - B. Agriculture
 - C. Tourism
 - D. Trade
- Correct answer: D. Trade

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8. EXTERNAL RESOURCES

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<https://www.cbi.eu/market-information/apparel/tips-go-digital> 8 tips to go digital in the apparel sector

<https://www.mckinsey.com/industries/retail/our-insights/fashions-digital-transformation-now-or-never> Fashion's digital transformation: Now or never

1. SUB-MODULE TITLE

3.How the fashion company works?

2. INTRODUCTION (SUB-MODULE DESCRIPTION)

The fashion industry, with its ever-changing trends and dynamic consumer demands, requires brands to be agile, innovative, and deeply connected with their target audience. Establishing a brand in this competitive environment is not merely about creating stylish products but entails a comprehensive understanding of strategic branding, marketing, and business operations. This course delves into the multifaceted journey of fashion brand development, from its nascent stages of conceptualizing a brand identity to navigating the complexities of market positioning and advertising strategies. Participants will gain insights into the intricacies of brand evolution, understand the significance of timely market entry, and learn the art of crafting compelling brand narratives. Additionally, we will explore real-world case studies, shedding light on how top brands have maneuvered challenges and transformed obstacles into opportunities. By the end of this course, participants will be equipped with a holistic understanding of fashion brand development, ready to carve a niche for themselves in the vast fashion marketplace.

3. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)

1. Describing the functions and operations of a fashion company.
2. Estimating the budgetary requirements for establishing a fashion enterprise.
3. Creating a plan to incentivize and promote the development of new business projects within the fashion industry.

4. LEARNING CONTENT

Establishing a Fashion Company



Image by [Freepik](#)

A prevalent misconception about the fashion industry is that it revolves solely around the designer and the end-product, be it apparel or accessories. However, this perspective is quite narrow. In reality, a fashion enterprise functions similarly to other sophisticated businesses. It necessitates a cohesive network of diverse departments and professionals. This includes not only design and production but also areas such as marketing, procurement, finance, human resources, and sales. Each department plays an integral role in ensuring the company's holistic success, albeit with certain industry-specific nuances.

Building a Fashion Company



Image by lookstudio on [Freepik](#)

A fashion enterprise is, at its core, a business, and it demands a strategic approach from inception. Prior to launching a collection and marketing the end-products, there are pivotal steps to undertake:

Market Analysis: Begin by assessing the market landscape. Determine the saturation level, understand consumer preferences, and identify competitors. A saturated market isn't

necessarily a deterrent; it can indicate a demand which, with the right strategy, a new entrant can capitalize on.

Digital Presence: With the proliferation of the internet, establishing an e-commerce platform is essential. Ensure the platform is user-friendly, with straightforward navigation, high-quality product visuals, and diverse payment options. This user-centric approach should extend to the brand's main website, which serves as an informational hub and a touchpoint for customer interaction.

Customer Engagement: Open channels of communication allow brands to receive direct feedback, addressing issues promptly. This two-way dialogue fosters trust and underscores the brand's commitment to delivering value beyond products.

Service Innovation: While many fashion brands invest substantially in perfecting products and branding, few exploit the potential of pre-orders. Offering garments for pre-order can be a game-changer, meeting customer demand instantaneously and signaling the brand's forward-thinking approach.

Human Resources: A product's excellence is directly proportional to the talent behind it. Investing in the right team, from designers to operations, is crucial.

This overview touches upon some foundational elements in the architecture of a fashion enterprise. Yet, the keystone remains the product, and its realization hinges on a competent and passionate team.

Human Resources in a Fashion Company

A successful fashion enterprise is far more than just the vision of a single designer; it's a collaborative effort that brings together a multitude of talents and skills.

Design Team: While a head designer often sets the overarching vision, it's crucial to have a team of skilled designers who can bring diverse perspectives to the table. By engaging young, dynamic designers equipped with innovative ideas, an enterprise can infuse vibrancy and freshness into its collections. These designers contribute by visualizing, sketching, and refining the concepts.

Pattern and Cut Designers: These are the experts who translate the sketches into tangible patterns, playing a pivotal role in the garment's lifecycle. They lay the foundation for the physical creation of the design.

Tailoring Team: These professionals stitch the patterns together, effectively materializing the envisioned design. The lead designer reviews the final piece, ensuring it aligns with the brand's ethos before it hits the market.

Sales Team: The journey of a garment is incomplete without the right sales strategy. It's not just about creating a stellar product; it's about ensuring it reaches the right audience. Sales professionals need to be well-versed with the brand's collection, understanding the essence and philosophy behind each piece. Their role is to identify potential customers, cater to their preferences, and communicate the brand's story and value proposition. When a salesperson can resonate with a customer and align the brand's philosophy with the customer's personal style, it instills confidence in the purchase. After all, a satisfied customer not only returns but also becomes a vocal advocate for the brand.

In summary, every individual in a fashion enterprise, from the designer to the sales representative, plays a defining role in the brand's journey, collectively ensuring its success



in a competitive market.

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Product Creation and Sales Area



Image by [Freepik](#)

The Atelier: An atelier is more than just a workspace; it is a crucible of creativity. Here, designers and other artisans come together to bring to life their visions, translating personal experiences and insights into tangible art forms. It's essential to understand that fashion transcends mere clothing—it is a form of art and a manifestation of culture. The atelier's environment plays a crucial role in nurturing this creativity. From optimal organization and state-of-the-art equipment to strategic storage for materials, every detail matters. Spacious work areas bathed in the right lighting can become catalysts for inspiration. The interplay of light and shadow on various materials, the vibrant hues of fabrics, and even decorative elements like indoor plants not only invigorate the creative senses but also offer solace from the day's stresses. These nuances don't merely enhance functionality—they elevate the very spirit of the space, motivating designers and tailors to deliver their utmost.

Growth Pillars of a Fashion Enterprise: Finance, Branding, and Mission



Image by [Freepik](#)

Every retail venture, particularly within the fashion sector, requires foundational elements to succeed. This includes infrastructure such as ateliers or retail spaces and essential equipment ranging from machinery to furnishings. However, beyond these tangible assets lies the power of branding — the distinct identity that sets the company apart and serves as its signature in a crowded marketplace. Equally vital is the company's mission, which acts as its guiding star. This mission directs every strategic move and action, ensuring that all members of the organization work cohesively towards a shared vision.

Fashion Advertising



Image by stephanie2212 on [Freepik](#)

The Essence of Advertising:

Advertising is more than mere promotion. It's a structured approach to communicating the value proposition of a product or service. The essence of advertising is to not only inform but also to influence and remind potential consumers about a product or service.

The renowned AIDA model (Attention, Interest, Desire, Action) succinctly captures the sequential stages of an effective advertisement.

Attention: Grab the consumer's attention with an arresting statement or visual.

Interest: Engage them with compelling content that piques their interest.

Desire: Highlight the intrinsic value or unique selling point that kindles a desire for the product.

Action: Persuade the consumer to take the final step – the purchase.

Every stage of this model is meticulously crafted. The advertising narrative might begin with evocative phrases like "history meets fashion in every woman" or "each woman is a unique sculpture, unparalleled in her elegance." Such communication is further enriched by offering personalized consultancy, emphasizing co-creation opportunities in design, thereby underscoring our brand's uniqueness against competitors.

Types of Advertisements:

Depending on the intended audience, advertisements can be categorized as:

Business Advertising: Targeted at industries and professional sectors.

Retail Advertising: Fashion houses predominantly fall under this category.

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Industrial Advertising: Focuses on industrial products for specific sectors.

Trade, Professional, and Agricultural Advertising: Tailored for traders, professionals, and agricultural sectors.

Brand Positioning and Identity:

Brand positioning and identity are interlinked yet distinct concepts. Drawing an analogy, consider an individual. An identity goes beyond names; it encapsulates unique attributes like fingerprints or even ethos that distinguish one person from another. Similarly, a brand's identity is its foundational essence, defining its core values and beliefs.

According to Jean-Noel Kapferer's "Brand Management and Contemporary Strategies," brand identity encompasses the core values and beliefs that resonate with loyal audiences. It distinguishes a brand from its competitors. Often, brand identity is mistaken for brand image. However, while the image is about consumer perception, identity is about the brand's self-perception and its foundational ethos.

Positioning:

Positioning stems from identity. It's about emphasizing those distinctive attributes that set a brand apart in a competitive marketplace. A significant chunk of consumer choices hinges on product comparisons. Effective positioning ensures a brand or its products stand out, helping it attract and retain customers or even diverting attention from competitors.

5. CASE STUDY

Bombshe: A Tale of Brand Genesis and Evolution

bombshe

The Genesis of Advertising and Branding:

At the heart of every business is a narrative. Some are born out of years of expertise, while others emerge from dreams harbored since childhood. Such was the backdrop for Bombshe, a budding fashion enterprise in pursuit of an authentic brand name and emblematic logo.

Strategic Pre-launch Preparations:

Bombshe embarked on its branding journey in July 2016, amidst the blueprinting of its business model, which included scouting for a competent sewing factory. By integrating various entrepreneurial elements simultaneously, Bombshe remarkably expedited its brand's inception, making its debut in 2017 through a basic online platform developed by an external agency.

The Crafting of Brand Identity:

A somewhat nebulous brief from Bombshe mandated the creation of a distinct branding blueprint devoid of overt preferences or styles. The emphasis was on carving a niche in a market saturated with ready-to-wear dresses. Recognizing that every dress would enhance the wearer's physique uniquely, the team worked collaboratively to conceptualize an aesthetic and ethos that would manifest through Bombshe. This strategic direction, rooted in trust, yielded the brand's unaltered name and logo.

Branding on a Budget:

Amid the foundational expenses tied to research, production, and more, Bombshe prioritized essential branding elements, including the name, logo, and core collaterals. Entrusting experts with naming and branding preempted potential pitfalls, ensuring a cohesive brand presentation.

A Brand Amidst Giants:

In a market saturated with affordable and diverse dress offerings, Bombshe had to assert its unique value proposition. The brand needed to resonate with consumers seeking quality over low-cost, mass-produced alternatives ubiquitous in the industry.

Design Objectives:

- A name anchoring Bombshe's marketing narrative.
- A logo symbolizing maturity, superior quality, and astute market placement.
- Packaging that augments the brand's worth, ensuring a memorable unboxing experience.

Reflecting on Bombshe's Journey:

Two years post-launch offers a vantage point to gauge Bombshe's trajectory. Notably, Showroom's recognition and subsequent collaboration bolstered Bombshe's outreach, positioning it amongst recognized fashion stalwarts. Throughout its evolution, Bombshe's diverse aesthetic campaigns have consistently harmonized with its foundational branding, testament to the timeless and versatile identity crafted in 2016.

In the realm of branding, occasionally, venturing off the beaten path and leveraging creative ingenuity is pivotal. Brands like Bombshe underscore the merit in not merely emulating competitors but in authentically representing the brand's unique essence.

6. PRACTICAL ACTIVITIES



True/false questions

1. A fashion company is only about the designer and the product.
False
2. A fashion company relies on many people and departments, such as advertising, procurement, accounting, human resources, and sales.
True
3. Before producing and selling the final product, a fashion company needs to assess the market and its competitors.
True
4. The creation of an e-shop is not a move that opens doors for fashion companies.
False
5. The content of the e-shop should be complicated and difficult to read.
False
6. Communication with customers is not important for fashion companies.
False
7. Human resources are not important for a fashion company.
False
8. Salespeople of a fashion company must have a good knowledge of the product range.
True
9. The space of the atelier is where culture is reproduced, not produced.
False
10. No retail company can exist without branding and shipping.
True
11. The message of advertising does not need to be clever and interesting to attract the consumer.
False
12. The substantive content of the advertising message is not important.
False
13. A happy customer is not the best advertisement for any company.
False
14. Industrial advertising targets consumers.
False
15. Brand identity is about the recipient (customer) and how they decode the message the company sends them.
False

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Georgios D. Babinioti, 2006, Mikros Dictionary of the Modern Greek Language, 1st Edition, Athens, Publications Centre for Lexicology, H.P.E.

McKinsey Greater China's Apparel, Fashion and Luxury Group, 2019. China Luxury Report 2019, s.l.: McKinsey & Company.

8. EXTERNAL RESOURCES

<https://cousinbillie.com.au/blogs/news/how-the-fashion-industry-works> How The Fashion Industry Works | A Breakdown of Roles

<https://guides.loc.gov/fashion-industry> Fashion Industry: A Resource Guide

<https://glamobserver.com/what-are-the-departments-inside-a-fashion-company-brand/> - What are the departments inside a fashion company / brand?

<https://www.masterclass.com/articles/how-to-start-a-fashion-brand> How to Start a Fashion Brand: Step-by-Step Guide to Launching a Successful Fashion Brand

<https://www.investopedia.com/terms/f/fast-fashion.asp> Fast Fashion Explained and How It Impacts Retail Manufacturing



MODULE 4 Worksheet

Giveaways:

1. In-house training and development drive competitiveness and foster a culture of innovation by equipping employees with essential skills to adapt to market changes.
2. The retail landscape has been transformed by digitalization and the pandemic, highlighting the significance of e-commerce, sustainability, and smart technology adoption for businesses.
3. Building a thriving fashion brand requires a strategic understanding of the market, innovative e-commerce solutions, effective team management, and skilful brand positioning.

Activity for self-reflection:

Take some time to review the current state of your **digital payment infrastructure**. Consider aspects such as your adaptability to online shopping trends, the convenience your system offers customers and the cost of transactions.

Then consider the position of your business in relation to the larger companies in terms of payment options.

Finally, envision a strategy to enhance your payment methods. Try to balance the elements of cost-effectiveness and customer convenience in this vision.

This activity will allow you to visualize and reflect on the current state of your business's digital transactions and inspire ideas for improvement.

Case study

Early investment in branding elements - such as branding, logo and visual identity - can play a critical role in effectively introducing a brand and differentiating it within a competitive market landscape. **Bombshe**'s strategic foresight in brand development has allowed it to establish a distinctive market presence and foster customer recognition, even as a new entrant in the fashion industry.

Find out more in Module 4 through the online cooperative platform <https://tecofash.erasmus.site/>

Result 2



1. MODULE TITLE**Module 5: Cultural Change, Digital economy, and E-commerce in fashion industry****2. SHORT MODULE DESCRIPTION**

The fashion sector is constantly transforming. What was a trend relatively recently may be out of fashion today. Changes in fashion are influenced by a variety of factors, ranging from those directly related to people to those over which we have virtually no control. Cultural transformations are happening constantly before our eyes, and the world is globalizing ever faster. Also, the COVID-19 pandemic has left a clear mark on the fashion sector: on the one hand, it has negatively affected it, although there have also been positive consequences. Among the most important can definitely be counted the development of fashion brands on the Internet, the transfer of trade there, and thus meeting the needs of modern customers. E-commerce strategies allow fashion to grow even more and gain more customers. It is worthwhile to learn about, and in the same time understand, these key issues that are shaping this branch of the fashion industry.

3. TOPICS FOR COLLABORATIVE FORUM

1. Culture, colours and fashion – what do they have in common? Let's share some examples of what symbolics colours have in your country.
2. What is the impact of fashion to the planet? Are you aware of the dangers? Let's share our thoughts or concerns!
3. Give your tips on conscious buying of clothing products!

1. SUB-MODULE TITLE

5.1 Fashion and culture among EU members

2. INTRODUCTION

Culture and fashion have always gone hand in hand. Fashion is a kind of reflection of the prevailing culture in a given community, it allows you to express your values, as well as show your cultural affiliation. Fashion is unique in every culture, including when it comes to Europe. Colours are also not insignificant; through colours people can express themselves, their emotions and convey important messages to others. They are also an important and integral part of marketing, including fashion marketing, and we should be aware of this. In this submodule, we will discuss the importance of culture and colours in fashion, as they can have quite different meanings in different parts of the world.

3. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)

Upon completing this sub-module you should:

- have knowledge on the issue of fashion culture in European countries,
- understand how the fashion industry, culture and the importance of colour are interrelated,
- demonstrate increased importance that different colours have in different societies.

4. LEARNING CONTENT

Fashion in EU countries

Europe is a strong and growing apparel market, home to the world's largest and most prestigious apparel companies. The value of the apparel import market in Europe was 127.4 billion euros in 2020, 146.9 billion in 2019. The significant decline of 13.3% is the result of the COVID-19 pandemic and the weakening of international trade. Until 2020, the market grew at an average annual rate of 4.7% from 2016 to 2019. Recovery of the market to 2019 sales values is projected for 2023.

The largest European markets are Germany, France, Spain, Italy, the Netherlands and Poland, which together account for almost 75% of all EU apparel imports worldwide and 79.5% of all intra-EU imports.

In 2020, Germany was the largest exporter in the EU at €14.8 billion, followed by Poland at €6.8 billion and Italy at €6.5 billion³³.

In 2021, France and Italy ranked first and second in the ranking of leading countries for the fashion industry worldwide³⁴.

Fashion culture in EU

By analysing clothing in different eras of human history, we can identify the customs, beliefs, economics, values and technologies that were practiced at that particular time. Similarly, a person's appearance reveals a lot about that person, such as feelings and thoughts. **Fashion changes with culture.**

Every culture is assigned its own unique style of clothing. Clothing can also reflect the beliefs, customs, values, morals, economics, art and technology of individuals and groups of people. In fact, fashion is the best way to express ourselves through the clothes and accessories we wear. Culture is at the core of the fashion industry, and elements such as patterns, fabrics and clothing are allies that represent culture in different ways³⁵.

Cultural change affects fashion created in a particular culture or place. For example, there are different cultures around the world consisting of millions of people who follow different fashion trends. Needless to say, it goes without saying that no two trends are the same. And no culture is static - just like fashion. It is dynamic and changes over time.

People's culture ensures that fashion accessories and clothing meet certain goals. **Culture also influences design and fabric selection.** For example, designers may choose and use indigenous materials associated with a particular place. This creates a strong local identity. Nowadays, many people also want to emulate celebrities, who may or may not have the same cultural influence as them.

On the other hand, there are people who love fashion. Some people tend to follow the cultural trends of their region.

Since fashion is constantly changing, designers follow trends, modify designs and select fabrics, colour and texture to fit a certain culture at the same time.

With this particular culture in mind, designers can create fashionable accessories and clothing. After all, culture influences fashion and vice versa³⁶.

³³ CBI Ministry of Foreign Affairs "What is the demand for apparel on the European market?"

<https://www.cbi.eu/market-information/apparel/what-demand>

³⁴ Statista "Brands Countries IPX: ranking of the leading countries for the fashion industry worldwide in 2021"

<https://www.statista.com/statistics/1202694/fashion-industry-leading-countries-worldwide/>



³⁵ Holr "How Can Clothes Represent Culture?" <https://holrmagazine.com/how-can-clothes-represent-culture/>

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https://pl.freepik.com/darmowe-zdjecie/moda-portret-mlodej-eleganckiej-kobiety_6022395.htm#query=fashion&position=1&from_view=search

Trainings on the symbolism of colours / shapes in different cultures

Colours affect our daily lives. Whether we consciously realize it or not, our perception of colours affects how we feel, whether we like or dislike something based on what we see. The way colour affects us is truly fascinating. Colours carry deep meanings in every culture. Culture is the basis of our life and style. People's behaviour has a direct impact and reflects the cultural aspects of a person. Asian culture, Middle Eastern culture, European culture, American culture have rich values that make people living in these places unique. Colours can show the values of each culture individually³⁷.

Colour	Europe	Other cultures
<p>Red</p> <p>The colour red is the colour of blood, wine and rubies. In every culture, the colour red attracts attention.</p>	<p>love, passion and danger</p>	<ul style="list-style-type: none"> • East Asian cultures happiness and long life. Bride often get married in red dresses to ensure a happy marriage. • Middle East: Danger and caution, and sometime threats. • Latin America: In Latin America, the colour red represents passion, but also Christianity. • South Africa: sacrifice sadness and mourning.
<p>Orange</p>	<p>Orange is the colour of autumn and the harvest. It</p>	<ul style="list-style-type: none"> • East Asian cultures: in Japan and China, it symbolize

³⁶ Out&about "Fashion across cultures" <https://www.outandaboutmag.com/when-fashion-meets-culture/>

³⁷ Muditha Batagoda "Understanding color psychology through culture, symbolism, and emotion"

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<p>Orange is the colour of fire and leaves in autumn.</p>	<p>also symbolizes affordability. However, in Northern Ireland it is the colour of Protestants. It is also the national colour of the Netherlands, where it is associated with the royal family.</p>	<p>courage, happiness, prosperity and good health.</p> <ul style="list-style-type: none"> • Middle East: danger, sadness and loss. • Latin America: Orange is associated with the sun and the earth.
<p>Yellow</p> <p>Yellow is the colour of sunlight, it would seem to give an optimistic and cheerful atmosphere.</p>	<p>Yellow brings to mind the warmth of the sun. It is the colour of summer, which can also indicate hospitality. However, in France and Germany it is sometimes associated with jealousy.</p>	<ul style="list-style-type: none"> • East Asian Cultures: Yellow has mostly positive associations in most Asian cultures. In Japan, it is a royal colour that represents courage and wealth. In China, however, it is associated with pornography. • Middle East: In Egypt, yellow is the colour of mourning. • Latin America: Yellow also symbolizes mourning. • Africa: In Africa, yellow is the colour of wealth and status.
<p>Green</p> <p>Green is the colour of grass and leaves, so it often represents nature. It is usually considered a calming colour.</p>	<p>In Western cultures, the colour green is often associated with envy. However, because of its association with Ireland and the four-leaf clover, it also brings to mind happiness. It can also symbolize progress, due to its identification with a green light that tells the driver 'go'.</p>	<ul style="list-style-type: none"> • East Asian cultures: nature, fertility and youth. However, in China, it also means infidelity. • Middle East: the colour green stands for fertility, money and happiness. • Latin/South America: In Mexico, green is the national colour and is considered patriotic. However, green is also the colour of death in some Latin American and South American countries.

<p>Blue</p> <p>The colour blue - idyllic, peaceful. Although the meanings of the colour blue vary from culture to culture, they are almost universally positive.</p>	<p>Blue represents trust and authority. It is associated with calmness, though also with sadness.</p>	<ul style="list-style-type: none"> • Eastern cultures: Blue signifies immortality, healing and relaxation in Asian cultures. In India, it is associated with strength. • Turkey, Greece, Iran, Afghanistan and Albania: In these countries, blue amulets ward off evil. • Middle East: safety, security and spirituality. • Latin and South America: mourning.
<p>Purple</p> <p>The colour purple - historically purple dye was very expensive to produce, for this reason it is often associated with wealth.</p>	<p>Purple represents royalty, wealth and fame. However, in some parts of Europe it is associated with death.</p>	<ul style="list-style-type: none"> • East Asian cultures: purple represents nobility. It is a symbol of mourning in Thailand. • Middle East: wealth. • Latin America and South America: In Brazil, the colour purple represents mourning or death. • Africa: symbol of royalty and wealth.
<p>Black</p> <p>The colour of night, darkness and shadows.</p>	<p>The colour black can signify sophistication and formality. However, it is also the primary colour of death, mourning and funerals. Black brings to mind darkness and sometimes evil.</p>	<ul style="list-style-type: none"> • East Asian cultures: In China, black is the colour of young boys. In Japan, it symbolizes mystery and feminine energy. In India, evil, rebellion or death. • Latin/South America: Black stands for masculinity and mourning. • Middle East: evil, mystery and mourning. However, it can also indicate rebirth. • Africa: Black signifies maturity and masculinity.

<p>White</p> <p>The colour white could be associated with a background colour without its own meaning, although this is not necessarily the case in different cultures.</p>	<p>White symbolizes purity, innocence, goodness and peace. However, in Italy, it is also traditionally used for funerals.</p>	<ul style="list-style-type: none"> • Eastern/Asian cultures white means death and mourning, as well as misfortune. • Middle East: purity and mourning • Latin America/South America: peace Africa: peace, purity, goodness and happiness. However, in Ethiopia, it also means sickness³⁸.
<p>Colour meaning is important because it bypasses language differences, acting as a recognizable form of communication. Yet the meaning of colour can change completely depending on where you are in the world. The meaning of colour can vary from culture to culture and from religion to religion, and cannot be ignored. We see and understand the world with vivid colours. People can use it as a tool for social interaction and deeper cultural understanding³⁹.</p>		

³⁸ Color meanings by Jacob Olesen "Color Symbolism in Different Cultures Around the World" <https://www.color-meanings.com/color-symbolism-different-cultures/>

³⁹ Shutterstock "The Meaning of Colors in Cultures Around the World" <https://www.shutterstock.com/blog/color-symbolism-and-meanings-around-the-world>

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<https://pixabay.com/photos/holi-girl-indian-india-dance-fun-2416686/>

5. CASE STUDY

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Context: Colours in marketing and promoting anything are very important, due to the fact that 65% of the population is visual. Different brands choose different colours for their logos. This is a marketing strategy and building a certain, specific image. Through the perception of colour, a company builds influence on brand perception. In a way, colours add value to the brand. This is true in the fashion industry as well as others, where attracting customers to the brand is a key goal. Let's look at how this works, based on the examples given below.

Description:

Apple

Black, gray and white - these are the main colours Apple uses. For these are the colours in which most of their devices are presented. These are very versatile colours that primarily speak of professionalism. It shows that the brand doesn't have to prove anything to anyone. These colours also fit their target audience - generally wealthier people, often entrepreneurs, who put quality above price. The colour is meant to emphasize the effect and class of the product. As you can see, it works great, as Apple devices continue to rank among the top sellers in most European countries, not just the US.

Milka

The brand has relied on both the symbol and colour associated with it in its marketing campaign. It is, of course, about the popular purple cow, whose colour is meant to evoke specific feelings - cheerfulness, languor and carefreeness. This is an incredibly important aspect in terms of standing out in the market. As a rule, purple is not a colour used in general marketing, but in the case of Milka it works perfectly, which influences the popularity of its products in many countries.

Facebook

Everyone associates what the logo of this popular social network looks like. Navy blue is primarily a colour that inspires confidence and restores balance. It also eliminates any negative feelings. When the site was founded in 2004, and the Internet was not yet so popular - the element of trust was very important. That's why it was decided to use just



navy blue as the dominant colour, and this treatment, as you can see, attracted millions of people around the world to Facebook.

IKEA

Yellow and blue is quite an unusual combination. Blue is meant to show safety and trustworthiness - regarding quality and use, in this case of furniture, yellow fits in with the brand's communication strategy. IKEA encourages shopping, showing that it is full of fun and a nice time spent. Lots of inspiration, very friendly service and, at the very end, a tasty buffet for attractive money.

LEVI'S

The LEVI'S logo has the colour red, which is intended to symbolize the lifestyle of customers. Full of character, many intense moments and courage. Red in this case indicates emotion. The colour of the logo is intended to remind of good moments and suggest their return. In addition, the logo is simple, but thanks to its distinctive colour it catches the eye, thus causing people to pay attention to it.

Lesson learnt: We can clearly see the influence of the colours used on which aspect of their products/services brands want to emphasize in their marketing campaign. Different colours symbolize different worthy qualities or emotions. Nothing appeals to the audience more than just colours, and combining them with specific symbols further strengthens the message. Sometimes even simple solutions, such as the use of appropriate colours, determine the recognition and further popularity of a brand⁴⁰.

6. PRACTICAL ACTIVITIES

Single choice Set

1. In 2020, the value of the apparel import market in Europe was:
 - A. 125,9 billion euros
 - B. **127,4 billion euros**
 - C. 146,9 billion euros
 - D. 134,7 billion euros

2. In 2020, the largest apparel exporter in the EU was:
 - A. Italy
 - B. Poland
 - C. France
 - D. **Germany**

3. Culture:
 - A. is static
 - B. changes with clothing
 - C. **is assigned its own unique style**
 - D. is not the foundation of the fashion industry

⁴⁰ Nestry "Znaczenie kolorów w marketingu" <https://nestry.pl/znaczenie-kolorow-w-marketingu/>



True/false questions

1. Clothing can also reflect the beliefs, customs, values, morals, economics, art and technology of individuals and groups of people.

TRUE

FALSE

2. Designers select and use indigenous materials associated with a place, which creates a strong local identity.

TRUE

FALSE

3. France and Italy are the first and second leading countries for the fashion industry worldwide in 2021.

TRUE

FALSE

Drag the words

€6.5 billion

€14.8 billion

€6.8 billion

In 2020, the value of exports was: Poland, Germany and Italy

Answers:

1 In 2020, the value of exports was: Poland **€6.8 billion**, Germany **€14.8 billion** and Italy **€6.5 billion**.

7. REFERENCES

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<https://www.cbi.eu/market-information/apparel/what-demand>

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<https://www.color-meanings.com/color-symbolism-different-cultures/>

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<https://www.shutterstock.com/blog/color-symbolism-and-meanings-around-the-world>

Statista, Brands Countries IPX: ranking of the leading countries for the fashion industry worldwide

in 2021, <https://www.statista.com/statistics/1202694/fashion-industry-leading-countries-worldwide/>

8. EXTERNAL RESOURCES

<https://artsandculture.google.com/story/how-fashion-meets-culture/gwLyN zp-PN1Lg>

The presentation shows the connections between fashion and culture

<https://artsandculture.google.com/story/eQVRWZBT1Nvulg> Presentation shows how fashion has changed and evolved over the centuries in Europe

<https://study.com/academy/lesson/color-meanings-in-different-cultures.html> The article describes the meaning of different colours in different countries and cultures

<http://www.six-degrees.com/pdf/International-Color-Symbolism-Chart.pdf>

A table showing how colour is perceived in different cultures

<https://www.linkedin.com/learning/color-and-cultural-connections> A course that explains what colour can mean in different cultures. Discusses the impact of colour psychology on shopping and cultural divisions.

1. SUB-MODULE TITLE

5.2 E-commerce for fashion company. Practical solutions

2. INTRODUCTION

The world has been undergoing increased digital transformation for several years. Virtually everything can be moved online. Commerce is no different. E-commerce has gained importance especially in recent times, when through the global pandemic shopping in stationary stores has been reduced to a minimum. The fashion sector has also had to adapt to the prevailing conditions by moving sales to the Internet, thus avoiding the loss of existing customers. Such a change has also helped significantly to attract new customers, as most people have begun to look online for new shopping opportunities. For this reason, online marketing strategies are extremely important for the fashion products trade. It is worthwhile to learn about practical solutions to help e-commerce, tailored to the specifics of fashion.

3. LEARNING OBJECTIVES

Upon completing this sub-module you should:

- have knowledge on what e-commerce is and what role it plays,
- be able to explain the applications of e-commerce in the fashion industry, and
- demonstrate the knowledge on practical e-commerce solutions that meet the demands of today's fashion market.

4. LEARNING CONTENT



Highlights on e-commerce

E-commerce is a type of commerce that uses the Internet or other computer network as a means of exchanging goods or services. The sale and purchase of goods and services takes place online, but payment and final delivery can be made both online and offline. The most common form of e-commerce is online stores, but other e-commerce business models are also known: classifieds sites, auction portals, and bidding or transactional e-commerce platforms. When it comes to the fashion industry, e-commerce mainly revolves around stores and online platforms where customers can purchase clothes from different brands, browse through them and have access to a brand's entire range⁴¹.

The COVID-19 pandemic has accelerated the digitization of consumers and changed their existing habits. The restrictions imposed on stationary stores have contributed to an increase in the number of users of online platforms. Many of them previously made only occasional online purchases or did not use this form at all. The changes taking place have forced many companies to redefine the flow of key processes and seek innovative solutions. **One of the most important turned out to be e-commerce.**

E-commerce applications and statistics in the fashion industry

Physical stores are no longer the only way customers interact with brands, especially those in the fashion industry. As customers increasingly expect mobile shopping, same-day shipping and 24/7 customer service, fashion retailers are changing the entire way they shop. Fortunately, the fashion industry is already a master of change, with seasonal trends appearing and disappearing before you have time to breathe. The digital transformation of the fashion world may be its biggest change yet. From larger, luxury brands to smaller ones, retailers across the industry are adjusting their e-commerce strategies to attract customers and adapt to the changing circumstances.

According to analysis by the Ecommerce Europe and EuroCommerce Associations - 2021 European E-commerce Report, the online sales market in Europe reached a value of 757 billion euros, up 10% from the previous edition of the report. This growth clearly shows how the solution is growing year after year.

If we're talking about e-commerce, **the leader in Europe is Zalando**, a German mail-order online store based in Berlin. Sales focus mainly on footwear and fashion, with a wider assortment available including jewellery, watches, decorative products, sunglasses and the like. The company is present in more than a dozen European countries, being at the forefront of popularity. A distinguishing feature of the platform is the ability to make free returns for up to 100 days from the date of order delivery⁴².

⁴¹ sempire.pl "E-commerce - co to jest, co oznacza branża? Definicja, historia, trendy"

<https://www.sempire.pl/e-commerce-co-to-jest.html>

⁴² Fintek.pl "E-commerce i rynek mody. Globalne trendy i prognozy" <https://fintek.pl/e-commerce-i-rynek-mody/>





https://www.freepik.com/free-photo/girl-stylish-outfit-red-beret-sits-chair-thoughtfully-reads-pink-background-with-shiny-clothes-shoes_12885102.htm#query=e-commerce&position=32&from_view=search&track=sph

More people than ever are using online stores for fashion shopping. The amount of revenue created by these people is now an integral part of their success. The high revenue generated through e-commerce has also allowed companies to grow. Statistics show that e-commerce is now an essential tool for the fashion industry. In 2018, the industry generated global revenue of 481 billion dollars.

Here are a few more noteworthy statistics that contributed to the growth of e-commerce in the fashion industry:

- 75% of brand consumers are satisfied with personalized messages, offers and products, so they are more likely to buy such products more often
- 43% of purchases are made after personalized recommendations (especially through advertising)
- China was the country that spent the most freely in 2019, spending 740 billion dollars on e-commerce. That is 179 billion dollars more than was spent in the US (the second largest market)
- 77% of people in South Korea made online fashion purchases in 2019. That's the most of any country in the world.

What is more, according to Statista, the compound annual growth rate (CAGR) of the fashion e-commerce industry is expected to be 14.2% from 2017 to 2025, and by 2023 the industry will be worth 672.71 billion dollars⁴³.

When it comes to the characteristics and specifics of **e-commerce** in the fashion industry, it is characterized by a number of **features**. These primarily include:

⁴³ Shopifyplus "The State of the Ecommerce Fashion Industry: Statistics, Trends & Strategies to Use in

2022" <https://www.shopify.co.uk/enterprise/ecommerce-fashion-industry>

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- **Excellent service** - Many top online retailers use promotion and customer service together. By interweaving the two, it ties customers to the brand and creates long-term brand loyalty.
- **Presentation** - The design of any e-commerce site is its driving force. Not only must it be easy to read and use, but it must also stand out. It must also fit in with the realities of the sector.
- **Live chat** - This is an easy way for customers to get in touch with you if they have any questions or comments about your products or placing an order. A very helpful tool to meet the expectations of each buyer.
- **Loyalty programs** - The simplest and most effective way to build brand loyalty. Rewarding returning customers to a brand will make them even more likely to choose a particular brand the next time they shop. Loyalty schemes are on display in almost every e-commerce-based company.
- **Automation** - The whole process can also be done without talking to another person. It only takes a few clicks to make a purchase, which saves time and greatly simplifies the entire selling and buying process.
- **Alternative marketplaces** - Major brands offer other ways to buy their products, whether it's through Amazon, eBay, Facebook Marketplace or other sales platforms. In this way, they increase the chances of selling as many products as possible⁴⁴.

The above-mentioned features are key to building a good e-commerce strategy, and thus to maximize the reach, recognition, and consequently sales of the products offered by a fashion brand.

Fashion e-commerce trends

The e-commerce fashion industry is one that has always proudly embraced and signalled change. Change is a key part of the fashion industry's identity, appearing at almost every seasonal fashion show year after year.

As of today, there are **9 main trends in fashion e-commerce**, which are listed below.

1. ReCommerce goes mainstream

ReCommerce or reverse commerce is the process of renting, reselling or managing previously owned clothing through online or offline stores. Consumers are increasingly looking for economical, sustainable ways to buy or own new clothes instead of buying brand new. As the fashion world moves toward a more sustainable model and post-pandemic spending preferences force brands to be more responsible, resale is a fashion e-commerce trend that is experiencing resurgence.

Looking to an increasingly popular and profitable future, three major trends in fashion e-commerce are highlighted over the next 12 months: quality, sustainability and nostalgia.

2. Athleisure moves into mainstream luxury

The biggest trends last year drove searches for both "streetwear" and "athleisure" keywords, with shoppers spending an average of 192 dollars on a new pair of sneakers - a 39% year-on-year increase.

⁴⁴ Christian Smales "The Importance of eCommerce to the Fashion and Apparel Industry"



<https://www.datafeedwatch.com/blog/ecommerce-and-the-fashion-industry>

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3. Sustainable and ethical fashion leads the way

The increasing growth of sustainability and transparency is due to consumers choosing to buy from brands whose values and ethics reflect their own, and these ethics are not limited to the environment - they also include issues related to human rights, the natural world, etc.

4. Artificial intelligence replaces virtual shopping assistant

As more and more shoppers choose to buy from merchants whose messages align with their values, personalization and the act of relevance continue to be growing trends in every ecommerce industry. To solve this new problem of how to put the customer at the centre of their marketing strategies, ecommerce fashion retailers are increasingly turning to one solution: AI and, most importantly, AI chatbots.

According to a survey conducted by Hubspot, 48% of consumers would rather connect with a company via live chat than any other method of contact, and 35% of consumers would love to see more companies using chatbots.

5. Fashion without gender, which means there is something for everyone

Recent data suggests that 56% of Generation Z consumers shop outside their assigned gender categories. Let's look at real-life examples: fashion houses H&M and Zara have also introduced gender-free collections, while Tommy Hilfiger's homewear section includes products that appear in both men's and women's sections.

6. Omnichannel will make stores ubiquitous

In a survey conducted by eConsultancy, data revealed a 21% increase in online orders from March 2020 to March 2019. In a separate survey, 41% of respondents said they now buy things online for which they would normally buy in stationary stores. While e-commerce has an undeniable impact on physical commerce, omnichannel marketing supports the theory that retailers are not necessarily closing their doors, but are developing methods by which they can reach and deliver to their customers.

7. Fashion without season introduces slow fashion

Slow fashion is, in simplest terms, fashionable clothing that lasts longer than one season and can be recycled or reused for as many different seasons or styles as possible. It has been gaining popularity lately, becoming one of the solutions for introducing sustainable fashion.

8. Experience AR and VR in a fitting room

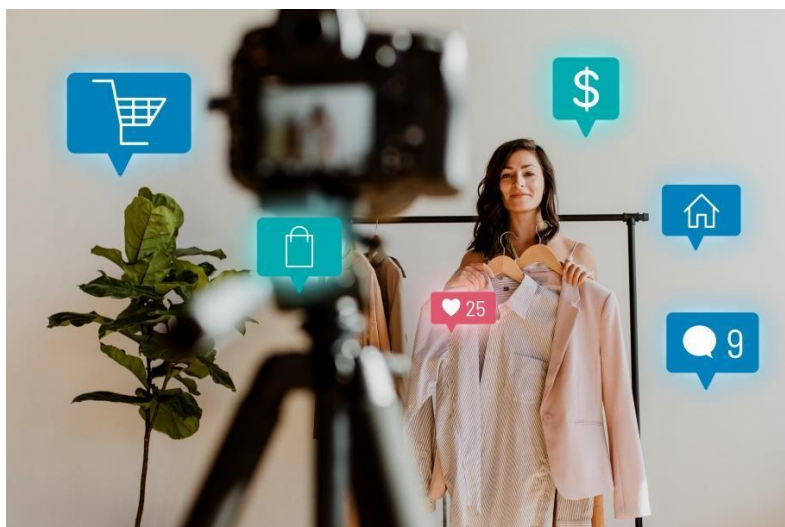
As the digital world continues to grow and change, more and more fashion e-commerce retailers are trying to retain existing customers and attract new ones by using Augmented Reality (AR) and Virtual Reality (VR) experiences. These experiences allow visitors to see themselves in the brand's clothes, without having to visit a store, in a convincing attempt to purchase the products.

9. Buying now and paying (for luxury) later

A new form of shopping that is being implemented in a wide variety of fashion e-commerce stores, both large and small. Customers are very eager to use this option, having the



opportunity to purchase a product even when they do not have enough money at the moment⁴⁵.



https://www.freepik.com/free-photo/woman-live-streaming-online-shopping-campaign_12195265.htm#query=e-commerce&position=2&from_view=search&track=sph

Practical e-commerce solutions for the fashion industry

E-commerce in the current reality of the new digitally spread world is very important to run one's own business. Definitely - for several important reasons. First, it shortens the distance between the brand and the customer. Clothes available online can reach the buyer's home in a short time. In the case of some brands - even the next day. What's more, however, if the item is not to his liking, he/she can easily return it.

It is important to consider all aspects that will help build an effective e-commerce for the fashion industry. This is a business that is governed by specific laws and customers buying fashion clothes or accessories have specific requirements for the products they want to purchase. Fashion must keep up with the modern customer; otherwise brands will not succeed in attracting a devoted audience. This is the essence of how e-commerce for fashion should be created. **The most important things that digital fashion marketing should put into practice are described below.**

It is extremely important to **know the customer's needs**. Most often, he/she expects information about the product he is interested in to be available at his fingertips, preferably by typing the name in Google or on Instagram. If we talk about the search engine, the so-called visibility of the site is important, i.e. its proper positioning - SEO. It is also helpful to have a brand blog, which combines two benefits. It allows you to get to know it better and build interest among visitors to the site.

Brands should now remember that they were created not for the founder or designer, whose job is to create trends for the next season. The most important thing is to **identify the brand's target customer** - the so-called *brand persona* - and meet their needs by solving the problems they face. This problem could be, for example, the challenge of finding the

⁴⁵ Yieldify "Fashion eCommerce: 9 Trends to Capitalize On In 2022" <https://www.yieldify.com/free-guides/fashion->

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right dress for an important event (such as a wedding of a family member) for a woman who does not have an ideal figure and needs to accentuate the advantages and hide the disadvantages. It is at this point that the brand should, in its communication, encourage the customer to take a look at its range of dresses, which includes cuts suitable for women of different figures. One thing is certain: a satisfied customer will be happy to recommend the brand to her friends or write a positive review online.

Another important piece of the e-commerce puzzle is the **dialogue and maintenance of an ongoing relationship with a customer** who has bought an item from our offer or used our services. The right tool for this is a **newsletter** or **mailing to customers**. With it, a brand can send information about a new collection, inform about seasonal sales or real events in which it participates, or even a special action for regular customers. Nowadays there are a number of ready-made solutions that will facilitate most of our activities. However, technology is not everything. The most important thing is the idea of a consistent style and a properly chosen narrative. Behind every brand there is an individually created ideology with which a person can identify.

Another thing is **spreading the brand on social media**. When we run social media, whether we want to or not, we participate in a competition for the prettiest pictures, which should catch the attention of the viewer for as long as possible (usually for a few seconds). Enough for him to decide to like them or leave a positive comment. This is not an easy contest, but each of us has infinite reserves of creativity, even more so if we believe in what we are doing.

The most important thing, however, is to stick to a few key rules. Published photos must always be properly lit, and we should also take care of the composition of the background and show the brand's products in the foreground. It is also worth mentioning premium brands, which as luxury goods have given way to functionality and needs. People have learned that luxury is an added value, by which they do not buy things physically, but the value it gives to the recipient or what problem it solves. Many spheres of life have been re-evaluated, resulting in more thoughtful shopping in the *slow* trend. Quantity is giving way to quality, which the customer now learns about through the content that brands present on their social media. What are important here are **regularity, consistency and establishing a relationship with the customer** who is willing to share his or her opinion on a given topic. Looking further into e-commerce, we will learn the dependence that its effectiveness 100% depends on **properly conducted analytics**. In this case, it is worth relying on the knowledge of a **person who professionally deals with the issues at hand** and will help us, on the basis of the statistics collected by our site, properly adjust the ads so that they hit the brand's persona.

Knowledge of e-commerce tools and the opportunities they provide is a cornerstone these days. Many brands know about the opportunities created by a properly run online presence, but a small percentage understand how to take advantage of them. This is a money-making activity that, without knowledge, can end in failure at the first attempt, loss of invested funds and discouragement. A good solution is to **take even a short but proven online course that will unveil the ins and outs of e-commerce knowledge**.

It's true that we live in an age of ubiquitous convenience. We are moving from being offline to functioning in the online world. The conveniences present at every turn are designed to shorten our path from the occurrence of the desire to purchase to its actual completion. E-

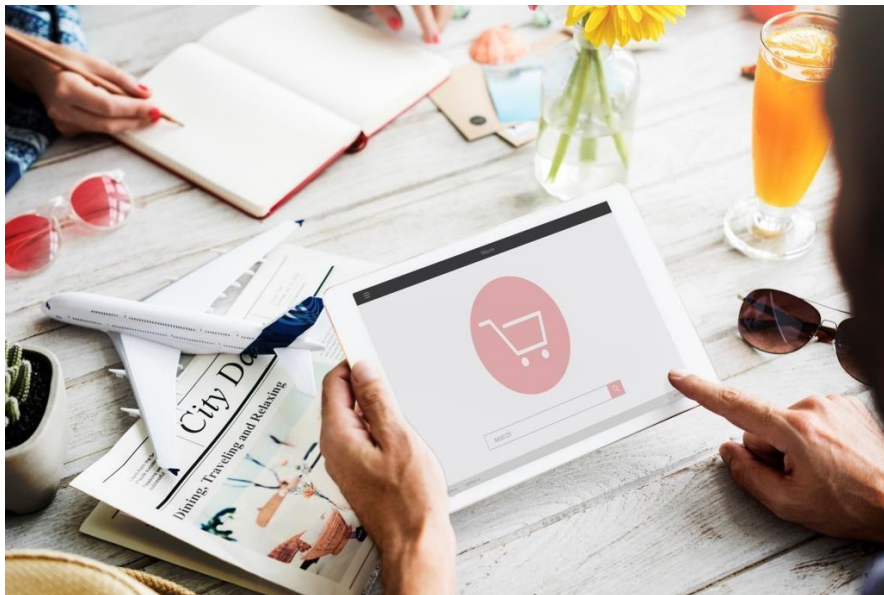


commerce strives precisely to make it possible to enjoy the desired product with just a

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few clicks. However, simple things are not the easiest to implement. The main adaptation of brands to function in the new virtual reality is a **properly designed online store**, which is supposed to be a modern functional back office with an array of payment options, short delivery times, and a clear return policy for the customer⁴⁶.



https://www.freepik.com/free-photo/e-commerce-shop-online-homepage-sale-concept_17432486.htm#query=fashion%20online&position=9&from_view=search&track=sph

Finally, a **properly tailored online presence creates new growth opportunities for brands** and is now an essential sales tool. That is why it is so important for every brand to have an online presence, regardless of the initial enormity of the work or even the setbacks that occur. Any change takes time, enthusiasm and the belief that nothing is impossible. Needless to say, fashion e-commerce is growing and changing at a staggering pace, and as technology advances, this pace will only accelerate. This is exciting news for the industry, as traditional fashion retailers are now able to expand their reach from stationary stores to e-commerce sites that reach shoppers around the world. Of course, this new opportunity also comes with significant challenges, given an already saturated market and ever-changing trends - which come and go so quickly that keeping up with them, can make one's head spin. But by following the lead of popular fashion brands and creating a unique customer experience, actually any e-store will be poised for success.

5. CASE STUDY

Context: The right e-commerce strategy, tailored to the specifics of a given company and detailing its most important features, is the key to success. Many companies have found that they owe their success to emphasizing the uniqueness of their brand. This can be done in a variety of ways. It is worth examining the following examples and seeing what the fashion companies in question have incorporated into their online sales and what has influenced their success.

⁴⁶ Anywhere.pl "E-Commerce, czyli nowy standard w branży mody" <https://anywhere.pl/60550/e-commerce-czyli-nowy-standard-w-branzji-mody/>

Description:

Natori

The company offers fashionable apparel for sale, including lingerie, nightwear and accessories for women. They maintain an elegant user experience throughout the site. There is a live chat option available on the website, the navigation is simple and faceted, and there are product recommendations.

Bohemian Traders

The clothing brand, based in Australia, features a unique style, which it describes as "classic European cuts and modern bohemia." In addition, the company provides ethical conditions for employees and ensures that production is as environmentally friendly as possible, as it asserts on its website, which undoubtedly contributes to the brand's positioning. The product website is thoughtful to the smallest detail and offers customers styling recommendations and items that can complete the look.

TYLER'S

The brand's online store offers a wide selection of sports apparel, footwear and accessories, as well as those related to active lifestyles. On the store's website, the retailer encourages customers to provide reviews, which then helps others make purchasing decisions. There is also an option for advanced search and product sorting.

Verge Girl

The brand has a range of fashionable women's clothing that is not expensive compared to the competition, plus it has introduced the possibility of spreading payment for purchases into instalments, which is even more attractive to customers. The brand's website is further distinguished by its fashion blog, which is very popular among visitors. This solution particularly attracts those interested in current trends in the fashion market.

Réalisation Par

The strategy of this online fashion business is to simply sell individual pieces of clothing or accessories instead of collections of clothing. The company places a strong emphasis on a strong social media presence and has integrated the site with its Instagram account. By doing so, it is increasing its online popularity⁴⁷.

Lesson learnt: Learning from those who have already achieved success in the market can save you from costly mistakes and give you additional inspiration. This is the best way to successfully implement yourself in the mechanism of e-commerce.

6. PRACTICAL ACTIVITIES

True/false questions

1. Statistics show that e-commerce is now an essential tool for the fashion industry

TRUE

FALSE

⁴⁷ ScienceSoft "Fashion Ecommerce Business: Best Practices and Examples"



<https://www.scnsoft.com/ecommerce/fashion-ecommerce>

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2. Presentation of the product is the simplest and most effective way to build brand loyalty

TRUE
FALSE

3. In e-commerce, payments and final deliveries can be made both online and offline

TRUE
FALSE

4. In 2018, the e-commerce industry generated global revenue of 481 billion dollars

TRUE
FALSE

5. 43% of purchases are made after personalized recommendations

TRUE
FALSE

Single choice Set

1. What does the Zalando platform not offer?

- A. **housewares**
- B. jewellery
- C. decorative products
- D. watches

2. One of the trends in e-commerce is:

- A. Live chat
- B. **Fashion without gender**
- C. Properly conducted analytics
- D. brand promotion on Instagram

3. One important feature of fashion e-commerce is:

- A. Extensive website interface
- B. **Loyalty programs**
- C. Foreign sales channels
- D. Advanced Augmented Reality (AR)

Drag the words

convenience, chatbots, quantity, customer, live, needs, narrative, consistent

1. It is extremely important to know the customer's
2. Many top online retailers use promotion andservice together.
3. The most important thing is the idea of astyle and a properly chosen





4. It's true that we live in an age of ubiquitous
5. 48% of consumers would rather connect with a company via chat than any other method of contact, and 35% of consumers would love to see more companies using
6. is giving way to quality, which the customer now learns about through the content that brands present on their social media.

Answers

1. It is extremely important to know the customer's **needs**.
2. Many top online retailers use promotion and **customer** service together.
3. The most important thing is the idea of a **consistent** style and a properly chosen **narrative**.
4. It's true that we live in an age of ubiquitous **convenience**.
5. 48% of consumers would rather connect with a company via **live** chat than any other method of contact, and 35% of consumers would love to see more companies using **chatbots**.
6. **Quantity** is giving way to quality, which the customer now learns about through the content that brands present on their social media.

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Yieldify, Fashion eCommerce: 9 Trends to Capitalize On In 2022, <https://www.yieldify.com/free-guides/fashion-ecommerce-trends/>

8. EXTERNAL RESOURCES

<https://www.apptus.com/guides/fashion-ecommerce-12-tips/> An article aimed at entrepreneurs, there are tips on how to grow your ecommerce business in the fashion industry.

<https://artora.design/blog/how-i-designed-a-fashion-e-commerce-website-a-ux-case-study> A case study on how to design a responsive fashion e-commerce site that will appeal to customers

<https://magenest.com/en/fashion-ecommerce-business-plan/> The role, application and tips for a fashion e-commerce business plan

<https://www.divante.com/blog/5-tried-and-tested-ecommerce-platforms-for-fashion> Article outlining the top 5 proven e-commerce platforms for fashion

1. SUB-MODULE TITLE

5.3 Customers of fashion companies, how to build an aware consumer of fashion goods

2. INTRODUCTION

In any industry, customers are undoubtedly an important element, because it is to them that the final product goes. The same is also true in the fashion industry. It is important to keep in mind that there are many types of customers, and an individual and tailored approach should be applied to each of them, wanting to make them loyal buyers of the brand's products. Besides, the aspect of buying products responsibly is very important, especially in this era of consumerism. The brand's marketing strategy in particular should focus on creating awareness in buyers about what they buy, from where, and at what price.

3. LEARNING OBJECTIVES

Upon completing this sub-module you should:

- have knowledge about the most common types of customers in the fashion sector,
- know how to tailor your sales strategy to a specific type of customer,
- be able to explain the importance of consciousness in buying goods, and
- demonstrate autonomy on ways to build an aware consumer of fashion goods.

4. LEARNING CONTENT

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Customer types in the fashion sector

In fashion, sale is as important as in any other business. Thus, knowing your consumer and their behaviour is key. When it comes to the fashion consumer, first of all you have to consider their social behaviour. But that's not all; you also need to keep in mind aspects such as their needs, desires, consumption habits, communication style and more. When you understand what is behind your customers' actions, you will be able to run more effective marketing campaigns. What's more, you will also improve your sales and know who to target with your brand.

The average consumer is more aware of common issues than ever before. Social media provides customers with overwhelming information on many aspects that were previously hidden from the public, such as how fashion brands treat their employees or how sustainable their products are.

Now let's look at the most popular types of customers who purchase fashion products:

1. The pioneer

This type of customer is very interested in fashion, knows the latest trends and follows them, and is always up to date. He/she reads fashion blogs and/or magazines and is able to spend a lot on exclusive clothing. They wait for new proposals from companies and designers. They are adventurous and buy any kind of design or distinctive clothes. They are waiting for new proposals from brands and designers, so in order to win their favour, brand designers must stand out from the crowd.

2. The innovative

This type of customer is also well acquainted with fashion, knows the trends, and creates their own. It is said that they are the ones who "create fashion". In addition, they also look for exclusive clothing in the stores they visit. Just like a "pioneer," you can attract them through a distinctive brand campaign.

3. The follower

This consumer is a copycat pioneer or innovator. He/she does not immediately acquire clothes from the latest collections, but does so only after some time, usually during the phase of their greatest success (popularity). Also, they are willing to pay high prices, but not as exorbitant as in the launch phase of fashion collections.

4. The fashion-dependent

Simply defined, this type of customer adapts to what is currently trending in the fashion market. He/she can be compared to a "fashion slave".

5. The liabilities

He/she does not pay exorbitant prices for clothes, but rather is able to spend as much on clothing as any average person. When the product has become known and is popular with many consumers, he/she purchases it too.

6. The laggy back

They are also known as price controllers or mobile innovators. They usually do not have



sufficient financial resources to purchase a fashionable product. Most often they buy it

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after some time, for example, at a sale, when the initial price drops significantly due to decreasing demand.



https://img.freepik.com/darmowe-zdjecie/dosc-stylowa-blond-dziewczyna-w-swetrze-z-dzianiny-z-torbami-na-zakupy-szczesliwie-patrzaca-w-aparacie-idac-ulica-miasta_574295-2271.jpg

Some other types of consumers that can be distinguished are:

1. Traditional

Such people are loyal to their proven brands and their lifetime stores; innovation is not in their nature. They rely on classic clothing, follow the dress code and dress simply appropriately for the occasion. This type of consumer does not engage in the fast-paced world of fashion.

2. Neo-traditional

This customer uses a mix of classic and innovative. They are more connected to the latest trends or technology than the traditional ones. As a result, they are more up-to-date.

3. Contemporary

They are people who perform different daily activities, are up-to-date, usually well-informed and multicultural. Above all, they are looking for practical solutions, and therefore fashion that works for them.

4. Conscious technology

This is a type of consumer that is connected to the virtual world. This type of consumer is characterized by the fact that he/she is concerned about issues related to nature. Therefore they are involved in global situations and the environment⁴⁸.

What kind of customer are you?

⁴⁸ BluCactus "Fashion consumers: Get to know them for the success of your brand"
<https://blucactus.blue/types-of-fashion-consumers/>



https://www.freepik.com/premium-photo/young-women-with-shopping-white-background_13569872.htm

Customers' expectations of fashion brands

Today's customers are demanding more from the fashion industry. For this reason, a company dedicated to fashion must cover all the necessary aspects for the satisfaction of its customers. In today's dynamic and highly saturated fashion space, it is imperative for brands to keep up with customer preferences and demands to sustain their business. So it is worth asking: **what do customers today expect from fashion brands?**

Studying the trends in the fashion market, there are 3 main aspects in which a brand can excel in order to successfully attract customers to the goods offered. These include:

- Demand for personalization

Personalization is important to today's consumer. With access to seemingly endless information via the Internet, consumers are well informed and interested in supporting companies that reflect their style and personality. This need for personalized merchandise is not limited to the product itself, the actual shopping and buying experience must also be customized and personalized. Whether it's personalized marketing and digital content, or suggested outfits and related products in an online shopping bag or shopper's product queue, today's fashion consumer expects companies to understand their style and cater to their needs.

- Demand for sustainability

For many fashion companies, sustainable practices and processes represent a significant shift - both culturally and operationally. While today's fashion consumer is drawn to companies that reflect their style and personality, they are often just as interested in brands that reflect their values and beliefs. Frequently, sustainability and a commitment to environmentally friendly materials and practices are right at the top of the list of values. Therefore, in order to remain relevant and appeal to the environmentally conscious

customer in this day and age, companies need to focus on sustainability.

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- Demand for quality and the decline of brand loyalty

In a fashion space now teeming with different brands, consumers have options. Where customers were once limited to a handful of labels and often remained loyal to one or two specific brands, today there are many options; each vying for the same customers in order to gain market share and beat the competition⁴⁹. As you can see, consumer trends play a significant role when it comes to the development of the fashion industry and specific brands. They influence not only the positive or negative perception of brands, but also their position in a highly competitive sector, which is undoubtedly fashion today. The more a brand is oriented to the needs, expectations or requirements of customers, the more likely it is that the very clothes with its label will be more willingly purchased by them.

Consumer trends influencing fashion brands

If we take a closer look at current consumer trends, it is immediately apparent that a few of the most important stand out among them. They are directly related to the way modern people think, and are influenced by issues such as the increasing interest of people, especially young people, in matters of sustainable production, caring for the environment or the transfer of fashion to the online sphere.

Current consumer trends in the fashion market primarily include:

- **Increased customer expectations** - Nowadays, customers have increasingly high expectations from outlets, not only when it comes to buying clothing and fashion goods. They are particularly keen on the shortest possible order processing time, which saves them considerable time. Technologies including RFID, clothing tracking, augmented reality, electronic tags - all designed to provide customers with further information - and the promise of same-day delivery have helped to significantly improve the customer experience. A better customer experience naturally leads to higher customer retention, meaning that brands that give the best overall experience to their customers are more likely to retain business, even though their products may not be as high quality or competitively priced as some other outlets.
- **Sustainable fashion** - Lately, there has been a very strong emphasis on sustainability in fashion, which is also reflected in the brands' position in the market. This is particularly contributed to by a number of social media platforms, in which it is increasingly possible to notice urging a boycott of brands (even popular ones) that do not apply the philosophy of sustainability in production or practice the trend known as fast fashion. The growing popularity of such behaviour has also been demonstrated by a number of recent research studies. A survey by McKinsey & Company⁵⁰ found that consumers radically changed their behaviour during the COVID-19 crisis, a change that was in line with sustainability goals, with 61% of respondents saying they had done everything possible to buy products with environmentally friendly packaging.

⁴⁹ Lectra "3 ways customers are shaping the fashion industry" <https://www.lectra.com/en/library/3-ways-customers-are-shaping-the-fashion-industry>

⁵⁰ McKinsey & Company "Survey: Consumer sentiment on sustainability in fashion" <https://www.mckinsey.com/industries/retail/our-insights/survey-consumer-sentiment-on-sustainability-in-fashion>



65% of respondents also said they would buy higher quality clothing that would last longer, and a significant number of 71% said they would throw away articles of clothing less often. This indicates a shift toward more sustainable fashion. Such a trend among consumers is prompting fast fashion brands in particular to rethink their strategies and supply chains, which have received a bad reputation for, among other things, inhumane conditions in factories located in poorer countries.

- **Online shopping** - Online shopping is already a fundamental cornerstone of fashion retailing, and all major brands have adapted to the shift in climate. The global pandemic has actually forced brands to increase their online presence, forcing innovation in digital solutions in a world where in-person shopping has virtually ceased to exist. This includes all sorts of technological innovations (such as 3D product visualization, which makes it possible to see a product as accurately as possible before purchase). The shift to virtual reality has also forced many brands to focus on direct-to-consumer (D2C) sales, increasing competition in the ecommerce world. As you can see, fashion's online presence is now a key aspect that audiences have deemed essential for a brand to meet their expectations.
- **Enhanced customization** - With an increasing emphasis on individuality, personalization is sure to become a huge driving force in consumer choices. Consumers seem to be tired of fitting in with the latest style or trend, and many have decided to go their own way to create their own unique and inimitable fashion sense. This is particularly evident in the world of 3D printed products and customizable gifts, as well as in the inclusion of online and digital stylists in luxury brands. Such a dedicated personal stylist can, for example, recommend products based on recent purchases or declared style preferences. Such personalization, however, requires an enormous amount of data collection and maintenance. This data is used for everything from recommending products to customers to determining their buying habits. For this reason, it can be difficult especially for smaller brands, which may not be able to cope with collecting such an amount of data. Also, all of this data must be stored securely, in compliance with GDPR (General Data Protection Regulation) and other data regulations. This may be something that must be overcome for smaller brands to implement their own customer personalization.
- **Purpose driven consumerism** - Goal-oriented consumerism is defined by brands that include a core message or moral stance as part of their brand. By incorporating a message or specific mission, fashion brands can connect with customers on a moral level to drive a positive image as well as sales. Purpose-driven consumerism has been gaining ground in recent years. Consider that in a recent study, as many as 48% of consumers surveyed expressed their opposition to brands that do not have social views that coincide with their personal ones. 42% of respondents also said they were moving away from brands because of frustration with their response to social issues. This shows the impact of having a brand goal that aligns with the views of the majority of customers. Brands should pay increasing attention to this issue in order to expand their target audience. A good example of a brand that has adapted to this strategy is Rihanna's Fenty Beauty, which, by hiring plus-size models and offering plus-size clothing, has demonstrated their size-inclusion.
- **Non-conventional buying channels** - Novelties always attract curious people, and



this has never been truer for the fashion industry. While people are increasingly

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choosing online shopping over buying in stationary stores, the online space is offering newer and improved solutions to sell products in a way that best suits consumers. Following this lead, the fashion industry has recently begun to develop a fascinating trend toward a sales method called *live commerce*. Live commerce is essentially combining online retailing with live streaming, bringing the online shopping experience closer to real life. Online activities such as these using video, are proving to be a hit in the industry, and with special events such as influencer broadcasts helping to sell products to an already gained audience, this space will continue to grow in the future⁵¹.

The mentioned trends unquestionably contribute to the success of fashion brands, as long as they adapt their performance strategy to them. While some of these trends may only become commonplace in the next few years, early adopters will certainly benefit from being at the leading edge of consumer needs. Fashion brands that listen to consumers almost always come out on top, accelerating the eventual shift away from practices such as fast fashion to a more sustainable, technology-driven and personalized industry.

How to become a more conscious fashion consumer

For many, clothing has always been a form of identity expression and an exercise in style and creativity. What we wear can make us feel more in touch with our inner self, while helping us present our outer self in a way that fits our personality, identity and mood. But for a growing number of fashion consumers, clothes have been assembled into something even more - a statement of values they want to live by.



<https://pixabay.com/photos/clothing-multicoloured-selection-1117314/>

The current fashion industry is riddled with unethical, inhumane and unsustainable business practices. Prominent fast fashion companies and luxury brands, have a long history of sweatshop and even child labour, abysmal working conditions, environmentally

⁵¹ Netguru "8 Consumer Trends That Affect Fashion Brands" <https://www.netguru.com/blog/consumer-trends-affecting-fashion-brands>

degrading supply chain practices and marketing methods that outright lie to fashion consumers and distract them from these issues - all to prioritize profit over everything else, including people.

These practices must change, and the most effective thing that can instantly transform the industry is our purchasing decision. As fashion consumers, we have the power to change the industry, and it's quite simple.

Here are 5 steps you can take to become a more conscious fashion consumer.

1. Move away from fast fashion and support slow fashion brands

Let's ignore the frenetic cycle of fashion production and try to acquire durable pieces that can be worn all year round - a practice often followed by other independent and sustainable brands.

2. Learn more about the textiles that make up your clothes

Check to see if brands use recycled/sustainable fibres such as hemp, organic cotton, Tencel, etc. instead of synthetics such as nylon and polyester.

3. Take care of the clothes you already own

Increasing the life of your clothes is the first and most basic thing you can do right away to become a more conscious fashion consumer. Only washing when required at low temperatures, paying attention to the wash label, repairing instead of throwing away - the list goes on...

4. "Buy less, choose well and make it last"

Invest in well-made staple parts that can be dressed up or down. Resist the temptation to buy low-quality components with impossibly low prices - they are often mass-produced by companies engaged in unethical business practices. Avoid "buy and throw" behaviour.

5. Observe values, brand ethics and ask questions

Don't hesitate to directly ask your clothing brands questions such as "Where were these clothes made? Who created them? What materials were used? Where did the materials come from?" Knowing the answers to these questions will help you determine whether these brands deserve your support and help you feel good about the clothes you wear⁵².

5. CASE STUDY

Context: Nowadays, fast response time is essential. Customers expect news and for products, including clothing, to arrive as quickly as possible. Unfortunately, it's usually just not feasible for most brands to anticipate trends and adjust the production of collections at such a fast pace. Taking advantage of this issue, more and more fast fashion brands began to appear on the market. "Fast fashion" brought a new way of thinking. The philosophy is that clothes must be produced quickly (and often cheaply), and consumers should move quickly to the next thing. Clothes are not meant to last for seasons.

Description: The best example of this is Zara. The brand has been hugely successful due to three crucial aspects of its operation. These include:

⁵² Cobalt Street "5 Steps to Become A More Conscious Fashion Consumer"



<https://cobaltstreet.com/blogs/news/7-steps-to-becoming-a-more-conscious-fashion-consumer>

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- Limited supply. Zara sells fewer pieces of each item or garment, but there are always new clothes or entire collections waiting for its customers.
- Short order processing time. This keeps its assortment up to date with current trends.
- More styles available. Instead of selling more clothes of particular styles, Zara is constantly introducing new collections, sometimes with quite different styles. For example, more than twice a week.

As a result of these steps taken, customers are offered an assortment of clothing that is always "fresh," on trend that can be customized at will, which allows shoppers to have a "unique" look, despite being a mass-market retailer. In particular, the Zara chain relies on feedback from all stores: "Store managers provide customer feedback on what shoppers like, dislike and are looking for. This demand forecasting data is immediately forwarded to Zara's designers, who start sketching on the spot." The company combines these in-store insights with a very active social media presence. Consumers are quick to comment and share their favourite new styles, and Zara can use these reactions to continue to deliver successful products. As a result, Zara's sales have grown 12% a year for the past 15 years and continue to grow. In an industry where apparel companies are struggling, this is even more impressive. And this situation is not unique to Zara, most apparel brands understand the need to improve efficiency in terms of speed to market and the importance of incorporating consumer insights into the decision-making process. Companies are simply trying to adapt.

Lesson learnt: But this and other examples are at odds with the idea of sustainable fashion, because brands like Zara are representatives of the fast fashion movement. And although their actions attract customers and meet their expectations in the aspects cited above, the increasing popularity of these brands is not at all good for the fashion market⁵³.

6. PRACTICAL ACTIVITIES

Single choice Set

1. Which type of customer is also called a price controller or mobile innovator?
 - A. The fashion-dependent
 - B. The pioneer
 - C. The follower
 - D. **The laggy back**
2. What is the name of a recently popular sales method in the fashion industry?
 - A. Fast commerce
 - B. **Live commerce**
 - C. Enhanced commerce
 - D. Visualisation commerce
3. "This type of consumer does not engage in the fast-paced world of fashion." We are referring to the type of consumer:
 - A. Contemporary

⁵³ Linkfluence "Consumer Insights for Fashion: How Top Brands Keep up With Consumer Trends"



<https://www.linkfluence.com/blog/consumer-insights-for-fashion-industry>

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- B. **Traditional**
 - C. Conscious technology
 - D. Neo-traditional
4. Which fibre does not count as one from sustainable development?
- A. **Nylon**
 - B. Organic cotton
 - C. Tencel
 - D. Hemp
5. Which technology has helped improve the customer experience when shopping for fashion online?
- A. Augmented reality
 - B. Electronic tags
 - C. Clothing tracking (RFID)
 - D. **All of the above**

True/false questions

1. The current fashion industry is riddled with unethical, inhumane and unsustainable business practices.
- TRUE**
FALSE
2. The inclusion of online stylists usually takes place among inexpensive, smaller fashion brands.
- TRUE**
FALSE
3. The fashion industry is rather indifferent to the novelties.
- TRUE**
FALSE
4. Product personalization can be difficult especially for small brands because of the need to collect a huge amount of data.
- TRUE**
FALSE
5. It is said that the liabilities "create fashion".
- TRUE**
FALSE

Drag the words

sale, personalized, consumerism, consumers, technology

1. Purpose-driven..... has been gaining ground in recent years.
2. In fashion, is as important as in any other business.
3. Fashion brands that listen to almost always come out on top, accelerating the eventual shift away from practices such as fast fashion to a more sustainable,



.....-driven and industry.

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Answers

1. Purpose-driven **consumerism** has been gaining ground in recent years.
2. In fashion, **sale** is as important as in any other business.
3. Fashion brands that listen to **consumers** almost always come out on top, accelerating the eventual shift away from practices such as fast fashion to a more sustainable, **technology**-driven and **personalized** industry.

7. REFERENCES

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McKinsey & Company, Survey: Consumer sentiment on sustainability in fashion, <https://www.mckinsey.com/industries/retail/our-insights/survey-consumer-sentiment-on-sustainability-in-fashion>

Netguru, 8 Consumer Trends That Affect Fashion Brands, <https://www.netguru.com/blog/consumer-trends-affecting-fashion-brands>

8. EXTERNAL RESOURCES

<https://www.ethicalconsumer.org/fashion-clothing> Fashion and clothing guides which help you find the most ethical and sustainable brands and companies

<https://www.uselesswardrobe.dk/how-to-make-better-more-conscious-fashion-choices-in-6-steps/> A guide to making better, more conscious fashion choices

<https://blog.gwi.com/chart-of-the-week/future-of-fashion/> A brief overview on how the fashion and jewellery industries should approach the needs of today's consumers



MODULE 5 Worksheet

Giveaways:

1. Fashion is a kind of reflection of the prevailing culture in a given community, it allows you to express your values, as well as show your cultural affiliation. Culture also influences design and fabric selection.
2. A properly tailored online presence creates new growth opportunities for brands and is now an essential sales tool. The leader of e-commerce in Europe is Zalando, a German mail-order online store based in Berlin.
3. Knowing your consumer and their behaviour results from considering their social behaviour, their needs, desires, consumption habits, communication style and reactions.

Activity for self-reflection:

Think about the **meaning of colours**. Through colours people can express themselves, their emotions and convey important messages to others. They are also an important and integral part of marketing, including fashion marketing.

An example is the **LEVI'S logo** that has the colour **red**, which is intended to symbolize the lifestyle of customers. Full of character, many intense moments and courage. Red in this case indicates emotion. The colour of the logo is intended to remind of good moments and suggest their return. In addition, the logo is simple, but thanks to its distinctive colour it catches the eye, thus causing people to pay attention to it.

Now, what about the meaning of **red, orange, yellow, green, blue, purple, black** or **white** in your culture?

Case study:

The strategy of Réalisation Par, an online fashion business, is to simply sell individual pieces of clothing or accessories instead of collections of clothing. The company places a strong emphasis on a strong social media presence and has integrated the site with its Instagram account. By doing so, it is increasing its online popularity.

Find out more in Module 5 through the online cooperative platform <https://tecofash.erasmus.site/>

Result 2

1.1 CSR, COMPANIES SOCIAL ACCOUNTABILITY

Definition of Corporate Social Responsibility

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Business benefits of a CSR policy

Examples of CSR initiatives in Fashion

CSR and greenwashing

Case study Got Bag

Worksheet: CSR pyramid

1.2 CSR APPLIED TO THE FASHION BUSINESS

Certifications and labels

Principles of CSR according to ISO 26000

CSR into practice – The CSR plan

Tips for a good CSR plan

Case study bargaining

Worksheet Scoring the level of CSR engagement of your company

1.3 BUSINESS ETHICS AND FURTHER CORPORATE RESPONSIBILITY PARADIGMS

Business ethics concept

Ethics in fashion

Assessment criteria of fashion ethical practices

Economy of the Common Good

New CSR paradigms and ESG

Case study Zalando

Worksheet ECG matrix

1. MODULE TITLE

Module 6: Corporate Social Responsibility in the fashion industry

2. SHORT MODULE DESCRIPTION

The objective of the “Corporate Social Responsibility in the fashion industry” module is to introduce the learners to the concept of accountability of a company towards its community. The main paradigm used to refer to this responsibility is Corporate Social Responsibility, for which we will review the main principles that should apply to the fashion business. Then, we will approach some other key concepts related to CSR, which are the idea of business ethics, the economy of the Common Good, and the Environmental, Social and Governance which propose a new way of engaging with the CSR in the company. By completing this module, the learner will develop knowledge about the Corporate Social Responsibility of a company and will have the ability to place that knowledge in a business context to integrate those sustainable and social elements in a company.

3. TOPICS FOR COLLABORATIVE FORUM

Provide here at least 2 topics that will be in the forum:

1. Actions to improve the CSR policy of the fashion SME
2. Ethical business practices in the fashion sector

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4. SUB-MODULE TITLE

6.1. CSR, THE COMPANIES SOCIAL ACCOUNTABILITY

5. INTRODUCTION (SUB-MODULE DESCRIPTION)

Corporate Social responsibility, or Responsible Business Conduct, is about managing the negative impact that the companies can have on society and the environment, being aware of their influence on jobs, working conditions, human rights, health, the environment, innovation, education and training, beyond the products and services offered. In this sub-module, we will review the main principles and benefits of a CSR policy.

6. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)

Upon completing this sub-module, you should be able to do the following:

- Be able to understand and explain the concept of CSR
- Understand the benefits of a having CSR policy for a fashion company
- Understand the importance of CSR in the fashion sector
- Understand the importance of the publicity of CSR actions and their accuracy to protect your company from greenwashing.

7. LEARNING CONTENT

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Definition of Corporate Social Responsibility

The Commission has defined CSR as the responsibility of Enterprises for their impact on society. Therefore, CSR should be company-led. (European Commission, COM/2011/0681 final) We can speak about 4 levels of CSR strategy:

- Financial responsibility.
- Legal responsibility.
- Moral responsibility.
- Voluntary or philanthropic liability.

Thus, Companies can become socially responsible by:

- integrating social, environmental, ethical, consumer, and human rights concerns into their business strategy and operations
- following the law. Indeed, public authorities play a supporting role through voluntary policy measures and, where necessary, complementary regulation.

Usually addressed in policies by large companies, CSR might apply to any organization seeking for achieving a balance of economic, environmental, and social imperatives, taking care of people belonging to the organization, but also external stakeholders and shareholders, and any element of the company environment to guarantee a correct impact. The Commission promotes CSR in the EU and encourages enterprises to adhere to international guidelines and principles. More specifically, the EU's policy is built on its 2011 renewed strategy for CSR, which aims to align European and global approaches to CSR. This strategy stresses the importance of enhancing the visibility of CSR and disseminating good practices, through the integration of CSR into education, training, and research. The strategy also improves self and co-regulation processes (European Commission, Official Journal C11, 14.1.2011, p.1) and companies' disclosure of social and environmental information.



image by freepik



The OECD (Organization for Economic Co-operation and Development) introduced a concept related to CSR called RBC (Responsible Business Conduct) understood as "making a positive contribution to economic, environmental and social progress with a view to achieving sustainable development and avoiding and addressing adverse impacts related to an enterprise's direct and indirect operations, products or services". The OECD provides guidelines for multinational enterprises, that apply to business operations and supply chains and how they can help gain and retain a social license to operate.

Research shows that 87% of customers consider CSR in their purchase decisions, and that "given similar price and quality, consumers [91%] are likely to switch brands to one that is associated with a good cause." Also, 90% of consumers would be ready to boycott a company for poor business practices. Beliefs about the role of business in society (Conecomm, s.f.) Many customers, especially millennials, expect that fashion brands have a positive image and leave a positive impact. Major fashion brands already integrated this new factor and employ CSR to launch promotional campaigns on their fair behaviours, as we will see in the next sections.

For fashion enterprises, CSR and RBC provide important benefits in terms of risk management, cost savings, access to capital, customer relationships, HR management, sustainability of operations, ability to innovate, and eventually profit.

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Business benefits of a CSR policy

Why do fashion brands adopt and promote CSR policies? Having a corporate social responsibility plan entails a series of benefits for the company, among which we find:

- **Greater capacity to attract talent:** Workers are motivated by clearly defined socially responsible management practices. They like to be part of organizations that respect the individual and invest in her ability to learn. Social responsibility attracts talent to the company and, at the same time, makes the worker feel encouraged to stay in the job position. A good CSR reduces employees' turnover and supports Human Resources management.



Image by lookstudio on Freepik

- **Stakeholders' loyalty:** CSR helps to improve the company's image and the links it maintains with its employees, customers, partners, and suppliers.
- **Implementation of codes of ethics and conduct,** as well as respect for compliance, helps prevent the risks of receiving complaints, negative publicity, or bad press. It contributes to protecting the good reputation of the company and prevents situations of crisis.
- **The implementation of environmental measures,** such as reducing energy consumption or recycling plans, can help reduce costs, as already exposed in our module about circular economy processes.
- A company that complies with the principles of transparency has **easier access to means of financing** since it has the trust and credibility of the markets.
- **Credibility** is another point in favor of a socially responsible company because if it is respectful of people and the environment, it will earn a reputation that will guarantee greater sustainability. Corporate social responsibility focuses, in this line,

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on three aspects: care for the environment, the working conditions of its workers, and support for humanitarian causes.

The latter brings numerous benefits:

- Improved reputation for collaborating with these types of charitable causes,
- Involvement and motivation of workers,
- Recognition of the work of the company by consumers,
- Free advertising by organizations,
- Tax relief for financially collaborating with this type of association, providing tax and labor benefits.

In short, CSR integrates the company's social commitments into its business strategy, under sustainable development objectives. Thus, it contributes to the improvement of society through investments and activities of which the company's employees, clients, and investors feel proud.

Examples of CSR initiatives in Fashion

In this section, we will review some practical examples and recommendations that contribute to increasing CSR in fashion business.

- **Be aware of the origin of the products you sell – a good traceability**

Everything is not just about low prices. Consumers are every day more attached to the quality of the products, and the way they were manufactured. Yet, traceability (knowing where the product comes from) and transparency (publication of information about the origin of the product) is still scarce in the fashion industry. In 2021, the Fashion Transparency Index revealed that 47% of surveyed brands published a list of their first-tier manufacturers, only 27% published info on factories beyond the first tier, and a paltry 11% of brands published anything about who is supplying their raw materials at all.

[ASKET](#) is a Swedish fashion brand that works since 2018 in making full traceability of its products. Nowadays, it claims to be 93% traceable overall. This brand is certified by the Global Organic Textile Standard and the Global Recycled Standard. It uses a medium proportion of eco-friendly materials including organic cotton. It produces seasonless and long-lasting products. Its use of eco-friendly materials limits the amount of chemicals, water and wastewater used in production.

One key element of CSR is traceability. You should make sure that your fashion products are manufactured in a fair way, and in case of any doubt, talk with your suppliers and request information to make sure that the material (fabrics, pearls, leather, accessories...) were produced under decent conditions, with no child workforce, etc. If you remain unsure, you might reconsider your choice of supplier. Take care about traceability, you should be able to tell where your products were done and in which condition.

- Take care of your workforce

As CSR is about taking care of your environment, you might start with what is closer to you: your staff. The fashion sector is often characterised by difficult workloads and low wages, even child and forced labour. Organisations such as IJM denounce that millions of people live unprotected from modern slavery and abuse in garment factories, not only in the far east but everywhere in the world.

Many fashion brands claim that workers who made their clothing are paid “at least the minimum legal wage”. However, associations show the difference between the minimum wage and the living wage, which is the minimum that a family requires to fulfil basic needs. In most manufacturing countries, the minimum wage represents between half to a fifth of the living wage. This means that these brands still pay their employees 5 times less than what they actually need to live with dignity.

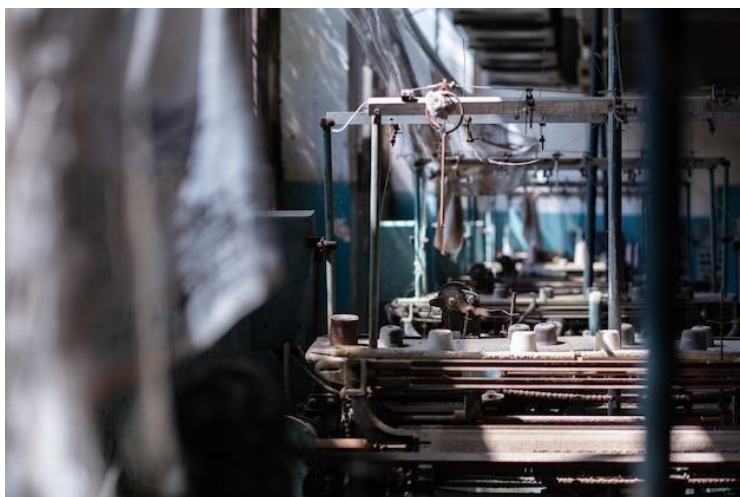


Image by wirestock on Freepik

In addition, the spinning, weaving, dyeing printing and finishing operations cause major health and safety issues due to the exposure to cotton dust, chemicals, and noises, but also ergonomic issues positions and gestures, etc.

As a decision-maker, you might try another strategy: share profits and offer decent wages to employees, it will motivate them and make them more productive, which will be in the end profitable for all. Also, you might take care of general working conditions besides wages, take care of individual contexts to offer better conciliation, propose continuous training, promote diversity (you can for instance consider recruiting staff with disability), offering opportunities to all. An example is the UK brand [People Tree](#), which collaborates with groups such as the Bombolulu workshop which empowers physically disabled people.

- Dedicate products to charity

While developing new products or designs, you might develop a specific collection for charity. First, you should choose a cause and discuss it with an organisation specialised in this cause to know what their needs are. Then, you should take care about developing an agreement with this organisation, so to have a framework for your action. Finally, you

should advertise the charity action. The proceeds from the sales of these products will go directly to your charity partners.

During the campaign, you can also motivate and congratulate the customers with periodical announcements on the money that you have collected and reversed to the charity thanks to this action. More generally, you can also promote solidarity and giving, for instance with a money box placed next to the counter of your retailers' shops for a cause, or by participating in solidarity or recollection events.

In the same line, some companies opt for the development of products that are aimed at promoting a good cause or defend ethical ideas, working in partnership with other specialised organisation in the framework of business collaborations.

- **Donate or sponsor**

In a similar way, you might simply choose to donate part of your revenue to a charitable organisation. This can be a percentage of the sale of a specific product, or a global amount that you would donate periodically. This is one of the most common ways to engage in CSR. For this, you just have to look for a cause you believe in, and again, contact this organisation to establish how you can support them. You can also choose to sponsor community initiatives that might be organised in your neighbourhood. Donation and sponsor are not just about money, you might also directly donate products. You can think about unsold products that can still be used by charities.

For instance, the Italian brand [Miomajo](#), which is a cruelty-free brand that makes contemporary functional bags, backpacks, and small accessories. Miomajo is a little more expensive than the other bag brands, but they donate 10% of every purchase to animal welfare causes.



Source: [Image by rawpixel.com on Freepik](#)

- **Going further: creating your own foundation or charity**

The next level of CSR might be to reinvest your benefits in your own charity organisation that will work for the cause that you decide. This solution offers the benefit of entirely controlling the actions undertaken thanks to your donation. However, this also requires higher investment, this is why this solution is mostly chosen by large firms.

For instance, the H&M Foundation is a non-profit foundation whose advertised mission is to co-create, fund, and share solutions for the world's most urgent challenges, to help safeguard the welfare of humanity, usher the fashion industry to become planet positive and accelerate the development of inclusive society.

Those are only a few examples of applications, but the number of possibilities is unlimited, and you might develop your own ideas to contribute to CSR. Think about your internal and external environment, and you will probably think of many other possible actions. Don't be afraid to be creative and generous, it will pay. Finally, as we have seen before that CSR engagement was a determinant for the decision of purchase of the customer, you should not forget to advertise your efforts. You should mention it on your packaging, but also consider decals, posters, information in newsletters and social media, etc. reminding your cause.

8. CASE STUDY

Timpers, an example of inclusive Human Resources practice

Context:

Timpers' mission is to sell quality shoes, manufactured in Alicante, for a full normalization of disability in the workplace, social environment and any area of society. The business project arose within the Alicante blind football team, of 2 founders of Timpers were part of the technical team. They had launched a brand of sneakers, casual and without any distinctive. One day they took one of the pairs to training to see if the players would buy them. They were totally amazed at how the blind were able to "see" the shoes through touch, which led them to create an attractive and accessible model for everyone. Due to the great repercussion that the project achieved, they decided to go ahead. They started making shoes that are inclusive, accessible, fashionable and for everyone.

Description:

Currently, Timpers staff is made up of people with disabilities, from the founders to the latest addition to the team. In addition, they are constituted as a Special Employment Center (CEE), which certifies that at least 70% of their staff have some kind of disability. Specifically, they are EWC No. 294 in the register of Special Employment Centers of the Valencian Community.





<https://www.timpersbrand.com/>

Lesson Learned:

The long-term objective of Timpers is to make people's disabilities visible and, above all, normalize in a work environment, so that, over time, it is present in all areas of life in a natural way. Their lemma is "Our abilities matter more than our disabilities".

9. PRACTICAL ACTIVITIES

Single choice question

Linked to CSR, What does RBC stand for?

- Responsible Business Culture
- Reciprocity Based Culture
- Responsible Business Conduct (CORRECT ANSWER)
- Respect Based Conduct
- Red Black Control

Single choice question

Which are the 5 fundamental values of the ECG?

- Human dignity, social economy, fight against climate change, democratic co-determination, order and justice
- Innovation and creativity, economic progress, social responsibility, stability and trust, transparency
- human dignity, cooperation and solidarity, ecological sustainability, social justice and democratic co-determination and transparency
- Peace, fight against climate change, responsible behaviours, social economy, innovation

Correct answer:

human dignity, cooperation and solidarity, ecological sustainability, social justice and

democratic co-determination and transparency form the basis of the ECG model.

True or false

By sponsoring a local sport event, ...

- I contribute to the circular economy principles (FASLE)
- I increase my positive impact on the local community (TRUE)
- I decrease my corporate social responsibility (FALSE)

I have an ethical practice (TRUE)

10. REFERENCES

A renewed EU strategy 2011-14 for Corporate Social Responsibility, Communication from the commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the region, COM(2011)681 final, 2011

<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0681:FIN:EN:PDF>

OECD Guidelines for multinational Enterprises, OECD, 2011

<https://mneguidelines.oecd.org/mneguidelines/>

11. EXTERNAL RESOURCES

<https://www.iso.org/iso-26000-social-responsibility.html>

Explanation of ISO 26000 and the social responsibility

<https://www.globalreporting.org/>

Website of the GRI global reporting

<https://www.ecogood.org/>

Website of the Economy of the common good.

<https://goodonyou.eco/fashion-traceability/>

Brand rating website on ecological fashion

<https://cleanclothes.org/livingwage-old>

Clean Clothes Campaign is an initiative defending workers conditions in the fashion and textile industry.

<https://www.fashionrevolution.org/key-organisations/>

Repository of organisations working to improve the conditions for those who make the clothes we wear.

<https://got-bag.com/en/pages/kommentar>

Go Bag statement after the greenwashing case exposed in our case study.

1.SUB-MODULE TITLE

6.2 CSR APPLIED TO THE FASHION BUSINESS

2. INTRODUCTION (SUB-MODULE DESCRIPTION)

After having learned about the general institutional vision of CSR as well as examples of action, this section will enter deeper into the development of a CSR plan, starting with the main standards and labels of references in the field, with a special attention to ISO 26000 norm. Also, we will review the fundamental principles of CSR and the structure of a CSR plan.

3. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)

Upon completing this sub-module, you should be able to do the following:

- Have a basic knowledge of some key certification and labels that are relevant for the fashion business
- Understand the importance of having a CSR plan in the fashion company
- know about its main principles according to ISO 26000 standard
- Identify unfair business practices
- Create and implement your own solution to increase CSR in your business

4. LEARNING CONTENT

Social responsibility standards and labels

Now that we have exposed the definition of the corporate social responsibility of a company, we will see how this applies, concretely, in the fashion company. Compliance with the law is a fundamental duty of any organisation and an essential part. However, in the sustainable field, there is still a low degree of enforcement, and policies mostly rely on incentives and encouragements. Thus, the development of standards and labels is a way of creating criteria to which companies can refer to improve their behaviours and practices. Also, one of the main pathways towards the CSR for fashion company is to get a label, or certification regarding social responsibility standards. Thus, we will start by reviewing the main standards that a company can target in terms of CSR.

1. ISO 26000

ISO is the international Organization for standardization, which is an international standard development organization composed of representatives from national standards organizations of members countries, founded in 1947 and with headquarters in Geneva. ISO defines sustainability as a wide concept corresponding to a global state of the worldwide system, including several sub-systems: environmental, social and economic, inside which the current needs should be satisfied without compromising the capacity of future generation to fulfil their own needs.

In 2005, ISO launched a new norm, the ISO 26000 as an answer to the increasing globalization and the necessity to create business practices that are socially responsible. ISO 26000 is a code of ethical conduct that offers guidance to companies to improve their sustainability and transparency. The objective of this norm is to assist organisations in contributing to sustainable development, beyond legal compliance.



ISO 26000

SOCIAL RESPONSIBILITY

2. GRI

GRI (Global Reporting Initiative) is an independent international organization that has pioneered sustainability reporting since 1997. GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. This enables real action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest. GRI offers general multisector guidelines, however, it also work on sector level. As GRI provide guidelines at sector level, they are currently working on a GRI Sector Standards project for Textiles and Apparel, that would apply to textile production, apparel manufacturing, footwear manufacturing and apparel and footwear retail.

The objective of this new Sector Standard is to:

- Identify and describe the topics that are likely material for a reporting organization in the textiles, footwear, and apparel sector based on the sector's most significant impacts.
- Provide evidence and authoritative references for these topics to assist organizations in identifying if they are material for them.
- Identify and list appropriate disclosures for reporting on those

topics. This standard is expected to be released in approximately 2 years.

3. GOTS

GOTS stands for Global Organic Textile Standard. The GOTS Standard is an international standard that establishes requirements for the certification of organic textiles by third parties and the maintenance of the chain of custody. This standard was developed with the aim of promoting and protecting organic textile product claims by developing criteria for the entire supply chain. As organic production is based on the farm standard, GOTS seeks to maintain the integrity of the supply chain to promote increased organic production and decrease toxic fertilizers, pesticides, and other toxic substances that are applied to the fiber.

4. Others



We have focused this section on the major global and sector standards that can be found. However, there are multiple other labels that you can work within the fashion industry. The Organic Content Standard (OCS) for instance focuses on the certification of the organic content of your product, The Global Recycled Standard (GRS) on the certification of recycled inputs, you might work with the [EU Eco Label](#), [Fairtrade](#), but also [Cradle to Cradle](#), [CMiA](#) (Cotton Made in Africa), or [Bluesign](#), among many others.



Image by rawpixel.com on Freepik

In most of the cases getting certified starts with completing the requirements of the chosen standard, then contacting the certification office and accepting their conditions and submitting your company to their audit, before receiving the certification.

Principles of CSR according to ISO 26000

Certification is one of the results of good CSR practices, but let's go back to CSR. Before thinking about getting certified, it is important to understand the main criteria on which CSR rely, so as to be able to integrate them into the company policy. CSR is based on principles, in general, whose pillars are respect for the environment and the social benefits of its surroundings, together to provide added value to its actions.

Following the ISO 26000 standard, which we have taken as one of the most complete references for guiding companies to implement measures aimed at managing corporate social responsibility, CSR is made of 7 core subjects, or principles of reference:

Accountability

Companies should apply the principles of transparency due to the impact that their actions can have on society, the economy, and the environment. Therefore, they must be accountable to society as a whole for all their actions.

Transparency

Companies must have policies of business through which they offer clear information, in understandable language and formats accessible to all their stakeholders, from internal (employees, managers, shareholders, etc.) to external (suppliers, administrations, customers, etc.).

Ethical behaviour

Companies must observe ethical conduct, based on the values of honesty, fairness, and integrity.

Respect for stakeholder interests

Every company must respect, consider, and respond to the interests of its owners, shareholders, partners, and employees, as well as to other individuals or groups that may have specific rights, claims or interests to be taken into account.

Respect for the principle of legality

All companies must commit, at all levels, to knowledge and compliance with the law. Especially since 2015, companies as legal entities may have criminal liability.

Respect for international standards of behaviour

Companies must respect international standards of behaviour regarding social responsibility. If there are conflicts between national and international norms, an attempt should be made to take actions that allow the greatest respect for both.

Respect for human rights

All companies should know and promote respect for human rights, included in the Universal Charter of Human Rights, incorporating its principles into their internal codes of conduct.



www.freepik.es

CSR is a transversal concept that affects different areas of company management, so all actions carried out within it must be linked to the activity of the company, be durable in time and involve senior management commitment.

With this idea in mind, any corporate social responsibility policy must contemplate a series of fundamental lines of action for the company:

- CSR should be promoted as a way to promote a sustainable company in social and environmental aspects.
- CSR must be part of training, education, and research.
- Companies must implement transparency measures and good corporate governance to increase stakeholders' confidence.
- Companies must carry out responsible management of their human resources and

promote employment.

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- Companies should invest in R + D + I in a socially responsible way so that society as a whole benefit from the scientific and technological advances achieved by companies.
- They have to promote and encourage development and cooperation in all sectors.
- Companies are committed to creating better relationships between the company and suppliers and seek for responsible suppliers.
- They must comply with the rules of respect for the environment, promote them and be proactive in this regard, in addition to promoting responsible consumption by all parts of society.
- Companies shall "listen to all voices", that is, promote those actions that are based on coordination and participation.

CSR into practice – The CSR plan

You now have a better idea of what is CSR, with some references that can help you in determining the areas of action inside your company. In this new section, we will see how to bring this information to your ground context, and how to adapt and apply all this to your company reality. This has to be done through a CSR plan. Let's see step by step how to create such a plan.

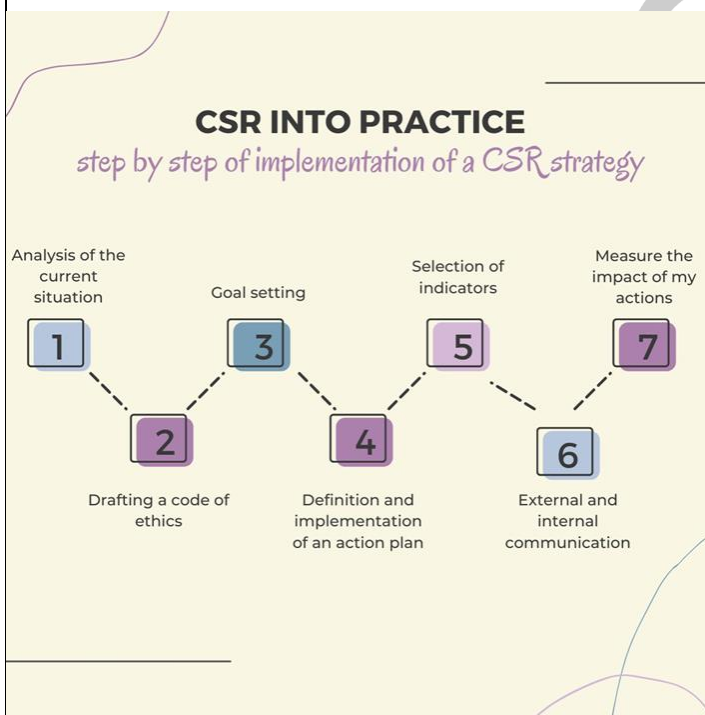


Image developed by MEUS⁵⁴

STEP 1: Analysis of the current situation

As in any strategic plan, having a good initial photo to understand where we are starting from is what will help us define where we want to go.

In this sense, we will analyze what actions have been taken in the past, what concerns there are, what is the level of impact of our activity as a company concerning society and the environment, what is the competition doing, or companies that are a benchmark in the sector, etc. All of this will place us in a strategic context through which we can begin to build.

STEP 2: Drafting a code of ethics

Once we have the X-ray of the situation from which the company starts, the next step is to draft a code of conduct in which the philosophy and social and environmental values of the company will be defined and how it intends to contribute to its improvement in the short-term, medium- and long-term. Since the code of conduct will apply to the entire company, it is necessary that in its preparation all the points of view of the interested parties are taken into account, that is, both the members of the company and the rest of its stakeholders.

STEP 3: Goal setting:

The next step is to identify, define and fix the objectives of a corporate social responsibility plan; These objectives must cover the short-, medium-, and long-term and take into account all the interest groups related to the company, from its employees, managers, and shareholders, to its customers and suppliers, including also local and national administrations.

STEP 4: Definition and implementation of an action plan:

With the objectives defined in the previous point, we will outline the set of actions that will be carried out to achieve these objectives. There will be different dimensions of the action plan depending on the stakeholder groups that we focus on for the CSR strategy and each of them may have its specific weight. For example, there may be companies that put a lot of focus on implementing actions focused on their employees, others that focus on improving and reversing part of their benefits in the social environment in which they carry out their activity, or also others for which the environment be your top priority.

⁵⁴ Link to edit the graph:

https://www.canva.com/design/DAFCKL6ScAs/NTpENnzWUX5OEdY0dcjx0w/edit?utm_content=DAFCKL6ScAs&utm_campaign=designshare&utm_medium=link2&utm_source=sharebutton

1. **They must be enduring:** It is not advisable to create social responsibility activities on time to promote yourself. Ideally, what you undertake will last over time and be in line with the philosophy of the firm; all this must be framed in a biennial or quadrennial plan, for greater coherence of the measures implemented. The key is to reach milestones.
2. **Veracity:** The progress we report must be true. Otherwise, that action will destroy the ethics of the firm and the essence of CSR actions.
3. **Business policies:** The policies developed by companies to contribute to society must be aimed at different audiences and they must participate in them accepting the commitment.
4. **Invest in CSR:** The investment made in the actions to be developed must be proportional to what is invested in the campaigns to communicate it.
5. **Actions first, then communication:** Ideally, the order of things should be respected, first creating a CSR plan and seeing how to implement it so that once it is underway, make it known.
6. **Transparency:** We have certain values that must be reflected in our plans. For this, the communication area is key and must be understood as one more area of the company.
7. **Acknowledgements:** Awards or recognitions for progress in CSR are good so that stakeholders (customers, suppliers, workers ...) know about the goals achieved.
8. In short, the Corporate Social Responsibility Plan is the tool with which companies can carry out their commitment to society and the environment and, through this, maintain or improve their reputation and corporate image, retain talent and employees. customers and be more competitive.



5. CASE STUDY

The difficult application of CSR in bargaining between small and big companies

Context:

Thanks to CSR, companies should understand their positive and negative impacts on society and the environment, and prevent and mitigate any negative impact they might cause, including their global supply chains. The fashion industry is dominated by large-size retailers, making the bargaining capacities among the different levels of the supply chain limited. This situation makes difficult the application of CSR policies. Indeed, there is no EU legislation on unfair business practices in the supply chain between small and big companies.

Description:

EU competition law deals with abuse of a dominant position and anti-competitive practices, but most reported unfair business practices do not fall within the scope of competition law, as many of the operators in question occupy a strong but not dominant position. As consequence, major retailers having a strong position are able to fix prices and determine conditions for the distribution of goods at the expense of the fashion manufacturers.

The Commission proposed in April 2018 the Directive on unfair trading practices in business-to-business relationships in the food supply chain to ensure fairer treatment for food and farming businesses with relatively weaker bargaining power for unfair practices by larger enterprises. Still, according to COM(2016)32, four unfair practices, in particular, should be avoided:

- a party should not unduly or unfairly transfer its own costs or risks business to the other party;
- a party should not ask the other party for benefits or benefits of any kind without performing a service related to the requested benefit or benefit;
- a party should not introduce unilateral or retroactive changes to a contract unless the contract specifically allows it under equitable conditions;
- it should not be possible to unfairly end a contractual relationship or threaten unjustifiably with ending a contractual relationship.





image by mrsiraphol on Freepik

Lesson Learnt:

These general principles were established for the food industry, for which unfair practices are particularly strong. However, can be extended to any business relationship when the nature of bargaining parties is unbalanced. Also, if you are a small company having to negotiate with a larger size company, you should be aware of your right and make sure that those are respected. For this, inform yourself about your rights at the national level. If you suspect that you are unfairly treated, you should react and seek for mediation. You can for instance contact your business association, and ask for assessment and support, eventually for a demand.

6. PRACTICAL ACTIVITIES

Sequential Question

Replace the different steps of the CSR plan in the correct order:

Order	Step
1	External and internal communication (6)
2	Goal setting (3)
3	Measure the impact of my actions (7)
4	Definition and implementation of an action plan (4)
5	Analysis of the current situation (1)
6	Drafting a code of ethics (2)
7	Selection of indicators (5)

Drag the words

A corporate responsibility plan is a management and document that defines the and general guidelines to be followed by an..... in the field of CSR.

- social
- evaluation
- framework
- Organisation

Correct answer:

A corporate **social** responsibility plan is a management and **evaluation** document that defines the **framework** and general guidelines to be followed by an **organisation** in the field of CSR.

Drag the words



ISO is the international Organization for standardization. ISO defines _____ as a wide concept corresponding to a global state of the _____, including several sub-systems: _____, social and economic, inside which the current _____ should be satisfied without compromising the capacity of future _____ to fulfil their own needs. In particular, ISO 26000 is the international standard for social _____

- responsibility
- sustainability
- needs
- Generation
- worldwide system
- environmental

Correct answer:

ISO is the international Organization for standardization. ISO defines **sustainability** as a wide concept corresponding to a global state of the **worldwide system**, including several sub-systems: **environmental**, social and economic, inside which the current **needs** should be satisfied without compromising the capacity of future **generation** to fulfil their own needs. In particular, ISO 26000 is the international standard for social **responsibility**.



Single choice question

GRS stands for...

- Guarantee of Results Standard
- Global Research Standard
- Global Recycle Standard
- Green Research and Sustainability
- Green Results and Sustainability

Correct answer: Global Recycle Standard

Single choice Question

GRI stands for...

- Green Results Initiative
- Global Report initiative
- Guarantee in Retail Industry
- Governance, Research and Industry

Correct answer: Global Report Initiative.

7. REFERENCES

Chan, Wei, Guo, Leung (2020) Corporate Social Responsibility (CSR) in Fashion Supply Chains: A Multi-Methodological Study,
https://livrepository.liverpool.ac.uk/3100688/1/1_CSR_20200809.pdf

ETUC, ETUC toolkit on Corporate social responsibility, 2015,
https://www.etuc.org/sites/default/files/publication/files/brochure_csr_tool_kit_en_6.pdf

8. EXTERNAL RESOURCES

<http://ecotoolkit.eu/>

This platform contains a kit of practical tools that are useful for consultants to coach SMEs on monitoring and reducing their environmental impact and saving costs. The Ecotoolkit platform is free, but you must register and create a profile.

<https://www.businesseurope.eu/european-alliance-csr-how-get-involved>

The CSR Alliance was launched in March 2006 by the European Commission, with members of the business community and support from business organizations such as BusinessEurope, SMEUnited (formerly called UEAPME), and CSR Europe. The Alliance aims to contribute to the promotion of CSR throughout Europe. It acts to demonstrate the value of voluntary business engagement casting light on innovative CSR practices and stimulating



new ones. It is an informal grouping and does not involve specific rules or requirements, charters, or heavy processes. Companies involved in the Alliance are expected to provide,

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regularly, information on their CSR activities and contributions to the Alliance for EU high-level meetings.

<https://www.csreurope.org/join-csr-europe>

CSR Europe is a platform offering a community of practice exchanging tips, best practices and instituting dialogue and collaboration.

<https://www.globalreporting.org/media/rzplsh4f/item-08-gri-sector-standards-project-for-textiles-and-apparel-project-proposal.pdf>

Description of GRI sector standards project for textile and apparel

<https://www.interregeurope.eu/road-csr/good-practices/>

Road to CSR builds on the bases set by the European Commission Directive 2014/95/EU on CSR. Nevertheless, it answers to the fact that most European policies and this directive in particular concern large companies and don't address the specific needs of SMEs. CSR is vital, for larger companies as well as SMEs. Road-CSR brings together 7 partners from 7 countries, involving the managing authorities & regional bodies to help EU member states to apply CSR principles into the core business of SMEs enabling them to become more competitive, sustainable, innovative, and accomplish long-term profitability with social justice and environmental protection. The project also offers a database for CSR good practices in SMEs.



1.SUB-MODULE TITLE

6.3 BUSINESS ETHICS AND FURTHER CORPORATE RESPONSIBILITY PARADIGMS

2. INTRODUCTION (SUB-MODULE DESCRIPTION)

Business ethics could be defined as the implementation of ethical / moral principles and appropriate business policies and practices regarding key and potentially sensitive areas, as for instance in management and human resources or relationship with supply chain and consumers. The two concepts CSR and ethics are closely related, as both refer to the morality of the business practice beyond the financial profit. They also derive to new paradigm such as the notion of common good and environment, social and governance strategies (ESG).

3. LEARNING OBJECTIVES (FOR EACH SUB-MODULE)

Upon completing this sub-module, you should be able to do the following:

- Recognise ethical practices
- Know several areas of application of ethics and apply ethical assessment criteria
- Become familiar with the ECG and ESG concepts

4. LEARNING CONTENT**Business ethics concept**

The concept of business ethics began in the 1960s when companies struggled more with a growing consumer-based society that displayed queries regarding social causes, the environment, and corporate responsibility.

This concept has evolved over time and currently goes beyond a simple moral code of good and bad; trying to reconcile what companies must legally do instead of maintaining a competitive advantage over other companies.

Business ethics ensure that there is a certain basic level of trust between consumers and companies, guaranteeing fair and equal treatment to the public.

Business ethics is a type of applied ethics or professional ethics that analyses the ethical and moral principles that are modified in the business world. It encompasses all aspects of business conduct and is relevant to the individual conduct of individuals such as that of organizations as a whole.

The companies that have endorsed all of these principles prepare an identified code of ethics document, which is the ethics of business that brings social balance to the company's social responsibility. This document consists of a series of principles that guide the entity's ethical actions.



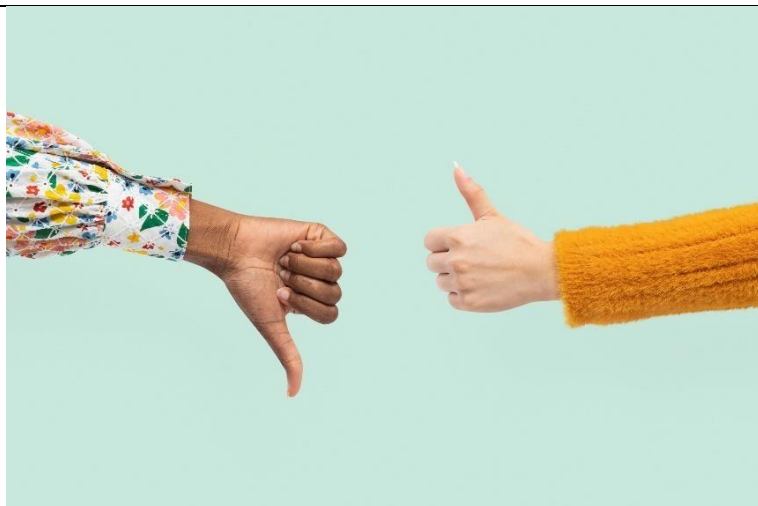


Image by rawpixel.com on Freepik

So that the code of ethics does not become a mere declaration of intent, it is highly desirable to monitor its application through an ethics committee. This committee will be responsible for disseminating its content among all members of the organization, verifying compliance and holding regular meetings to coordinate activities and review and update its content.

Ethics in fashion

What is ethics in a fashion business? To start with, we will give as an example some typical ethical issues that a fashion business might face, so to understand better what lies behind this question.

- Labour practices: shall we accept the strategy that consist in making our clothes more affordable to our customers while manufacturing the garments in developing countries where labour conditions are problematic?
- Environmental impacts and concerns, treatment of animals
- Consumers over consumption: shall we encourage consumers to buy new clothes that they don't really need?
- Exclusivity over equality: Fashion promote the exclusiveness of products, while the majority of people can't afford to buy such products
- Body image issues: what is the image that we give to our public when using models and making adverts? The question of the image of women is especially sensitive
- Cultural influences when designing the clothes
- ...

We can apply ethics in 3 different dimensions of the fashion business:

-Laws, rules and regulation.

There are different regulations, labour laws, trade laws, environmental and social regulations related to the business sector at international level and in each country, and all organizations and their employees must comply in their conduct with and among

customers. It is thus fundamental to respect the regulation applying in the different

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countries where you operate at all levels of the supply chain, and make sure that your stakeholders also do the same.

-Ethical practice towards consumers.

This applies particularly to fashion retailers, that interact directly with customers, as they directly impact the lives of many people, however, this should be prepared all along the supply chain. Ethical practices are not only a retailer's moral responsibility but are of great importance to all fashion businesses.

- The fashion firm should charge a fair price for the products they sell to consumers.
- The consumers have the right to get precise and right knowledge about the products sold to them. Furthermore, they should be informed about all things related to products such as guarantee, usage, material, price, etc.
- Not selling poor quality products to consumers.

-Ethical practice towards employees.

- Giving fair and equal treatment to employees.
- Providing fair salaries as per their position and job role.
- Treat employees with respect and courtesy.

Assessment criteria of fashion ethical practices

As for any other business, fashion firms are not only judged on their financial performance but also on their ethical performance. For instance, some shareholders will not invest in a business that does not meet certain ethical criteria. We can list six main criteria for ethical assessment and examples in the following table (Lavorata, Pontier, 2005):

Table 1

Ethical Assessment Criteria	Examples
Relations with civil society and involvement in local community life	Corporate patronage, sponsoring, aid to associations, funding local actions
Relations with customers and suppliers	Certification, labels, purchasing ethics, gifts, commissions, relations with suppliers, misuse of dominant position
The environment	Management system, strategy, management, environmental impact, environmental responsibility

Business facilities and subcontracting in emerging countries	Basic workers' rights, child labor, pay scale, codes of conduct and control systems
Relations with shareholders	Transparency, information and communication, dialogue
Labor and management relations	Time management, family measures, employment, work content, working conditions, hygiene and safety

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Ethical Assessment Criteria (Ronai, 1999)

For each one of these ethical assessment criteria, we invite you to find example of fashion business practices. You will find good, but also bad practices, and this table is aimed at supporting you in making the difference between one and the other.

Now that we have defined ethics in a business context, we will see some of the emergent paradigms that comes to complete the CSR principle with new ways of considering the business activity, focused on ethics and which provide a more holistic vision of the social responsibility. We will focus on two concepts: the Economy for the Common Good, and the ESG (Environment, Social and Governance).

The Economy for the Common Good



ecogood.org

F A S H

The economy of the common good is a raising theory that promotes an alternative economic system based on human relationships, setting ethical indicators above the financial ones that currently prevail in our economic model.

"In a real 'economy', money is only a means to an end. If we were to measure economic success according to that end, human creativity would generate an increase in the common good. Economy and value would then be in harmony." (Felber, 2015). The Economy for the Common Good, created by Christian Felber, can be defined as an economic model based on



the values that all people recognize as universal: solidarity, human dignity, social justice, ecological sustainability, transparency, and democratic participation. It is a holistic model that aims to integrate the economy into the social, cultural, and ecological context of society.

For this purpose, five fundamental values are set, that form the basis of the ECG model:

- human dignity,
- cooperation and solidarity,
- ecological sustainability,
- social justice
- democratic co-determination and transparency

The central proposal of the model of the Economy for the Common Good is, therefore, that the economy should be at the service of people, that is, of the common good, assuming that money and capital are important as instruments of exchange and investment, but they never constitute an end in themselves.

Environmental, social and governance strategies

ESG stands for Environment Social and Governance. It is a framework that companies use, in the same way as CSR, to assess their sustainability. While CSR has a higher focus on corporate volunteering or engaging with charities, ESG provides a more quantitative measure of sustainability and improve the valuation of the business. In some cases, the lack of tangible ways to measure CSR efforts and the large scope of issues covered in the CSR make it difficult to manage or quantify the actions made and their results, and companies fail to implement CSR initiatives. Therefore ESG is being increasingly used, and it currently tends to overtake the CSR framework in the corporate work thanks to this quality of making corporate ethical activities and efforts measurable. However, the two are complementary.



Image by redgreystock on Freepik

ESG is made of three factors:

1. Environmental

This factor is about the effort made by the company to address climate change through limitation of GHG emissions, waste management or energy efficiency measures.

Examples of environmental criteria:

- Addressing climate change by reducing the GHG emission in the production processes
- Addressing water scarcity by improving dyeing methods
- Reduce pollution by banishing the use of chemicals
- Protection of biodiversity, protection of wildlife, banishing furs.

2. Social

This factor includes the labour standards in the supply chain and the respect of human rights, allowing workers to live with dignity. It also pays attention to health and safety in the workplace. Finally, it is about the positive actions that the company can have on the local community.

Examples of social criteria

- Respect of the labour standards, ensuring that all workers are paid at least the minimum living wage (and not minimum legal wage)
- Recommendations and respect of health and safety measures, care to working hours, use of PPE (Personal Protective Equipment), light, regular breaks, etc.
- Gender equality and diversity in the workplace. Women empowerment
- Relation with the local community: sponsoring events, supporting causes, etc.

3. Governance

Corporate governance is about the system that sets the relations among the stakeholders in the company. It is made of rules, duties and rights and responsibilities.

Examples of governance criteria:

- Composition of the board of executive
- Data protection
- No corruption
- Transparency on all operations and regular audits

The textile and apparel industry is accountable for sustainable harmful practices, however, major companies are also initiating changes as it becomes critical to increase the responsibility of the corporation to answer the growing customers' demand in sustainable products.

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Some leading brands are working to create alternative fibers that are more environmentally friendly, and practice circular design and manufacturing, they are keener to commit to social causes and support fair labour practices, and transparency is increasing thanks to new regulations such as the CSRD directive on Corporate Sustainability Due Diligence mentioned in our Business Models Module. However, there is still a long way to reach a highly responsible sector, which is why awareness raising on ESG paradigm is so important.

5. CASE STUDY

Zalando Sustainability journey

Context:

Zalando is a fashion retailer founded in 2008 in Berlin, Germany, and is nowadays a leading European online platform for fashion and lifestyle products. It started as an online shoe store, and nowadays counts over 17.000 employees that operate over 140 countries. Zalando is a growing company, with a strong financial performance over the last year, with an annual revenue for 2021 was 14.3 billion euros

Description:

One of the missions declared by Zalando is to support fashion that is produced, consumed and sold in a responsible manner. For this they have built an ambitious strategy that includes the following actions:

1. Do.MORE strategy for sustainability:
 - Reducing the carbon footprint of the company: Zalando has committed to reduce scope 1 and 2 greenhouse gas (GHG) emissions by 80 percent by 2025 against a 2017 base year, to increase annual sourcing of renewable electricity from 34 percent in 2017 to 100% by 2025, and to reduce scope 3 GHG emissions from private label products by 40 percent per million euros gross profit by 2025 from a 2018 base year. Zalando also committed that 90 percent of its suppliers will have science-based targets by 2025.
 - Reimagining packaging and minimizing waste, by keeping material in use and eliminating single-use plastics by 2023.
 - Providing sustainability-related product information
 - By 2023, extending the life of at least 50 million fashion products by applying the principles of circularity
2. Private label and code of conduct

Sourcing partners of Zalando are requested to agree to a code of conduct which sets the minimum standards that they must comply, including topics such as minimum wage, absence of forced labour, or freedom of association.

3. Societal engagement and corporate citizenship`

Zalando is engaged in strategic partnership that strengthen the local communities. They support [vostel.de](https://www.vostel.de), which is a volunteering platform, or collaborate with Ashoka, a network of social entrepreneurs, among other actions.

Lesson Learnt:

Zalando is clearly oriented to the financial profit, and in this sense, it cannot be considered as a good practice according to the criteria of the Economy of the Common Good. However, Zalando also gives an important place to its ESG strategy, with clear communication on its impact in terms of Sustainability, Diversity, and Inclusion. This strategy seems to work, considering the growing importance of this firm.

Note: In September 2022, Zalando won the inaugural greenwashing award of the Norwegian Consumer Council for 2022, for the reason of using a Sustainability filter on its website to classify the clothes, based on the Higg MSI index. This index is designed to compare the environmental impact of the materials used for the design of clothes, but Norwegian authorities recently said that the use of Higg labels is greenwashing, as it can give a false impression of sustainability while the use of the “sustainable” attribution should be strictly documented.

6. PRACTICAL ACTIVITIES

1. Single choice Question

ESG stands for:

- Economy of sustainable goal
- Economic Standard of Growth
- Environment and sustainable Goals
- Environment, Social, Governance

Correct answer:

Environment, Social Governance

2. Multiple choice question

Which one are fundamental values of the ECG model?

- Climate change
- Human dignity
- Traceability
- Social justice
- Consumer behaviour
- Responsibility
- Cooperation and solidarity

Correct answers:

- human dignity,
- cooperation and solidarity,
- social justice

3. Drag the words

Business ethics is a type of applied ethics or _____ ethics that analyses the ethical and _____ principles that are modified in the business world. It encompasses all aspects of business conduct and is _____ to the individual conduct of _____ such as that of organizations as a whole

Moral

Professional

Relevant

Individuals

Correct answer:

Business ethics is a type of applied ethics or **professional** ethics that analyses the ethical and **moral** principles that are modified in the business world. It encompasses all aspects of business conduct and is **relevant** to the individual conduct of **individuals** such as that of organizations as a whole

4. True/false

Body image is a personal question rather than an ethical question

Correct answer: False

5. Multiple choice question

Select three dimensions of application of ethics in a business:

- Environment
- Society
- Customers
- Employees
- Economy
- Regulation

Correct answers: Customers Employees Regulation



7. REFERENCES

The Economy for the Common Good, C. Felber, 2015

The success of a retailer's ethical policy, focusing on local actions, Lavorata, Pontier, 2005
<https://www.researchgate.net/publication/254400999> The success of a retailer's ethical policy Focusing on local actions

8. EXTERNAL RESOURCES

<https://www.thecorporategovernanceinstitute.com/insights/lexicon/what-is-the-difference-between-csr-and-esg/>

Definition of CSR and ESG concepts

<https://www.fibre2fashion.com/industry-article/9464/esg-in-fashion-industry>

Blog on fashion with interesting inputs on ESG and sustainable fashion business practices.

<https://corporate.zalando.com/en/our-impact>

Corporate information of Zalando's sustainability policy

<https://howtohigg.org/higg-msi/>

The Higg Materials Sustainability Index is designed to compare the environmental impact of different materials so design and development teams can make more sustainable choices during materials selection. This website provide full information on this index.



MODULE 6 Worksheet

Giveaways:

1. Corporate Social responsibility, is about managing the negative impact that the companies can have on society and the environment, being aware of their influence on jobs, working conditions, human rights, health, the environment, innovation, education and training, beyond the products and services offered.
2. The main pathways towards the CSR for fashion company is to get a label, or certification regarding social responsibility standards
3. ESG stands for Environment Social and Governance. It is a framework that companies use, in the same way as CSR, to assess their sustainability. While CSR has a higher focus on corporate volunteering or engaging with charities, ESG provides a more quantitative measure of sustainability and improve the valuation of the business.

Activity for self-reflection:

Reflect on your understanding of Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) practices in the fashion industry. Consider how these initiatives impact not only the environment but also society and business ethics. Examine the fashion brands you support and their commitment to CSR and ESG principles. Evaluate the importance you place on sustainability and ethical considerations when making fashion choices. Explore ways you can promote and demand greater transparency and responsible practices in the fashion industry. Identify actions you can take to support brands that prioritize CSR and ESG, contributing to a more sustainable and socially conscious fashion landscape.

Case study

Zalando gives an important place to its ESG strategy, with clear communication on its impact in terms of Sustainability, Diversity, and Inclusion. This strategy seems to work, considering the growing importance of this firm.

Find out more in Module 6 through the online cooperative platform <https://tecofash.erasmus.site/>



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