



Nicole Franken

# Corporate Responsibility in the clothing industry

From a consumer's perspective



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## Summary

This master's thesis aims to shed light on the consumer's perception of garment manufacturers that act responsibly and sustainably. Corporate Responsibility (CR) is an umbrella term encompassing the voluntary activities of companies that demonstrate their ethical and responsible behaviour. CR plays a significant role in modern business practice.

Although clothing has many functions such as protection and expression of individualism, social situation and attitude, its production causes massive harm to people and the natural environment.

This research focuses on the clothing industry and the impact of manufacturing, CR, the role of CR in business and the communication of CR in order to answer the following questions: What criteria determine socially responsible and sustainable behaviour according to German consumers' perceptions of fashion labels, which fashion labels are perceived as socially responsible and sustainable by the German consumer and through which communication measures do fashion labels achieve a socially responsible and sustainable reputation?

Empirically, the research is based on a qualitative research design approach. The findings of an online survey of 504 German women between 15 and 49 years of age are aligned with the opinions of seven experts who were interviewed.

The results show that the three most important criteria that determine the consumer's perception of socially responsible and sustainable behaviour of clothing companies are firstly good working conditions, secondly environmentally friendly production and thirdly an absence of chemicals or harmful substances in clothing.

The five most often mentioned fashion labels that are perceived as committed to CR are hessnatur, C&A, H&M, Tchibo and Esprit. Apart from that, shop, website and TV are the three most often mentioned channels in the survey, through which the interviewed women learned about the CR activities of fashion labels. Finally, the research reveals that communication of CR in Germany needs to be improved.

## Zusammenfassung

Kleidung hat viele Funktionen; sie schützt vor Wind und Wetter, ist Ausdruck von Individualismus und sozialer Stellung. Allerdings verursacht ihre Herstellung enorme Schäden an Mensch und Umwelt.

Es gibt Unternehmen, die dem entgegenwirken und Verantwortung demonstrieren, sowohl aus sozialer Sicht, als auch durch nachhaltiges Handeln. Freiwillige Aktivitäten dieser Art werden unter dem Sammelbegriff Corporate Responsibility (CR) oder unternehmerische Verantwortung zusammengefasst. CR spielt mittlerweile eine wichtige Rolle im Wirtschaftskontext.

Diese Masterarbeit verfolgt das Ziel, mehr Kenntnis über die Wahrnehmung von Verbrauchern hinsichtlich sozial verantwortlichem und nachhaltigem Verhalten von Kleidungsherstellern zu gewinnen. Sie beleuchtet die Kleidungsindustrie und ihre produktionsbedingten Auswirkungen, den Begriff CR, die Rolle von CR in der Geschäftswelt sowie CR-Kommunikation. Dabei sollen folgende Fragen beantwortet werden:

Welche Kriterien bestimmen für deutsche Verbraucher sozial verantwortliches und nachhaltiges Verhalten? Welche Kleidermarken werden als sozial verantwortlich und nachhaltig wahrgenommen? Und durch welche Kommunikationsmaßnahmen erscheinen Kleidungshersteller als sozial verantwortlich und nachhaltig?

Empirisch basiert die Arbeit auf einem qualitativen Forschungsdesign. Die Ergebnisse einer bundesweiten Online-Befragung von 504 Frauen wurden mit den Meinungen von sieben Experten aus der Kleidungsindustrie oder dem Bereich CR abgeglichen. Demnach sind für die befragten Verbraucherinnen die drei wichtigsten Kriterien für ein sozial verantwortliches und nachhaltiges Verhalten von Kleidungsherstellern: Erstens gute Arbeitsbedingungen, zweitens umweltfreundliche Produktion und an dritter Stelle schadstofffreie Kleidung.

Die fünf meistgenannten Kleidungsmarken, die als unternehmerisch verantwortlich wahrgenommen werden, sind hessnatur, C&A, H&M, Tchibo und Esprit. Die drei meistgenannten Kanäle, durch welche die interviewten Verbraucherinnen von den CR-Aktivitäten der Kleidungsmarken erfuhren, sind das Ladenlokal, die Website und das Fernsehen. Neben diesen Erkenntnissen zeigt die Arbeit deutlich auf, dass CR-Kommunikation in Deutschland verbesserungswürdig ist.

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## List of Abbreviations

- AG** | Aktiengesellschaft (German stock company)
- Approx.** | approximately
- ATC** | Agreement on textile and clothing
- e.V.** | eingetragener Verein (German registered association)
- Ed. (Eds.)** | Editor (Editors)
- et al.** | Et alii (Latin, meaning 'and others')
- EU** | European Union
- EUR** | Euro
- CEO** | Chief Executive Officer
- CERES** | Coalition for Environmentally Responsible Economics
- CO<sub>2</sub>** | Carbon dioxide
- CR** | Corporate Responsibility
- CSR** | Corporate Social Responsibility
- DIN** | Deutsches Institut für Normierung  
(German Institute for Standardisation)
- FLO** | Fair-trade Labelling Organizations International e.V.
- GATT** | General Agreement on Tariffs and Trade
- GOTS** | Global Organic Textile Standard
- GRI** | Global Reporting Initiative
- Ibid.** | Ibidem (Latin, literally meaning, in the aforementioned place)
- ILO** | International Labour Organization
- IVN** | Internationaler Verband der Naturtextilwirtschaft e.V.  
(International Association of Natural Textile Industry)
- KbA** | Kontrolliert biologischer Anbau (Controlled organic cultivation)
- KbT** | Kontrolliert biologische Tierhaltung  
(Controlled biologically animal husbandry)
- LTA** | Long-Term Arrangement regarding international trade in Cotton
- MFA** | Multifibre Agreement
- MRSL** | Manufacturing Restricted Substances List
- p. (pp.)** | Page (pages)
- POS** | Point of Sale

**STA** | Short Term Arrangement

**TBL** | Triple Bottom Line

**TCI** | Textile and Clothing Industry

**UNEP** | United Nations Environment Programme

**ZDHC** | Zero Discharge of Hazardous Chemicals Programme

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# 1 INTRODUCTION

## 1.1 Background and problem definition

Every human being needs clothing. This fact makes the textile and clothing industry (TCI) one of the largest in the world (GRIES, VEIT & WULFHORST 2014). Additionally, clothing is a status symbol. As the old saying goes, 'clothes maketh the man', clothing is an expression of individualism, social situation and attitude (ENGELHARDT 2012).

Most clothes sold in Europe are produced in a developing or emerging country for cost reasons (STARMANN 2010). In such countries, clothes manufacturing does massive harm to both people and the environment because of the lack of regulations; too often we hear media reports of accidents that happen due to abusive working conditions such as the collapsed Rana Plaza building in Bangladesh with many dead and injured (BURCKHARDT 2013).

Simultaneously, environmental and social problems are among the greatest challenges facing us today and into the future (BUND, BROT FÜR DIE WELT & EVANGELISCHER ENTWICKLUNGSDIENST 2009; DUONG DINH 2010). In recent years, the concept of corporate responsibility has found its way onto the agendas of many companies (MAY 2011) and has become a normal part of success-oriented corporate communication (MAST 2013). On the one hand, because companies are powerful actors that verifiably cause environmental and social problems (CRANE & MATTEN 2010), a fact that is known to consumers, and on the other hand, due to the influence of CR on marketing goals such as customer loyalty (KOTLER ET AL. 2012) and reputation (IVEY 2007). In other words, CR has become of strategic use in business (GASTINGER & GAGGL 2015).

According to a poll, 82 per cent of the German population could not name a company that stands for environmental and climate protection while taking social concerns into account (WILLMROTH 2012). This ignorance shows the enormous need for appropriate CR communication (HEINRICH & SCHMIDPETER 2013).

## 1.2 Research objectives and questions

Against the background of the context presented above, the main aim of this master's thesis is to identify which clothing manufacturers are perceived as socially responsible and sustainable by the German consumer, how they have achieved this perception and which communication measures best convey their socially responsible and sustainable commitment.

These aims lead to the following three research questions:

- 1) *What criteria determine socially responsible and sustainable behaviour according to German consumers' perceptions of fashion labels?*
- 2) *Which fashion labels are perceived as socially responsible and sustainable by the German consumer?*
- 3) *Through which communication measures do clothing companies achieve a socially responsible and sustainable perception?*

This research focuses on Germany and German consumers.

## 1.3 Research structure

Chapter one, the introduction, opens up into the topic of the research, explains the research objectives and questions and gives an overview of the research content.

The literature review in the second chapter provides information on the theme of the master's thesis and of topics strongly related to it. The second chapter also discusses the textile and clothing industry and gives a detailed overview of various facets of corporate responsibility; the historical background, definitions of terms, CR in practice, the role of CR in business, and its extent in the TCI.

Chapter three describes the methodology used in the research in order to provide answers to the research questions and objectives. Chapter four deals with the research findings that are discussed in chapter five. Chapter six lays down the conclusions of the research and chapter seven contains an outlook.