Analysis of Sustainable Fashion Business Models, Frameworks and Ethics

Rimsha Anjum
College Charlemagne, Canada

ABSTRACT

In a realm of constant changes to the environment in addition to societal perceptions towards issues surrounding fast fashion, researchers have been analyzing the impacts of this market shift and transition on businesses and their marketing models. This publication will review the multifaceted dynamics and components to the fashion industry, by paying close attention to innovative business strategies, its impact on the supply chain, in conjunction with sustainable ethics and policies that have governed policy makers’ role in the pursuit of environmental protection and awareness. This publication will also analyze the varying ethical issues surrounding these propositions, and promising areas of future will also be delved into.

Introduction

Many clothing companies that participate in the Fast Fashion industry have been found to be responsible for an unprecedented level of waste and contamination. From vast quantities of discarded fabrics to dyed waterways, many have begun to recognize the implications of this trend and have taken steps to not only mitigate the dire consequences of the fast fashion industry but also to develop sustainable clothing options to assist buyers in making a more ethical decision. As sustainable clothing is still considered a relatively new concept compared to the Fast Fashion industry, many are unaware of its existence. This article will focus on the main topics discussed. In this publication, the models behind sustainable fashion businesses will be analyzed in depth. Furthermore, new business models and strategies that are actively being used to promote alternative Fast Fashion, as well as specific marketing strategies, and potential competitors in the market will be comprehensively reviewed. Finally, the importance of sustainability ethics and policies will be addressed.

Context Surrounding Alternative Fast Fashion in Modern Business

The changing dynamics of the fashion industry have forced retailers to desire low cost and flexibility in design, quality, and speed to market, key strategies to maintain a profitable position in an increasingly demanding market (Vertica et al., 2016).

The goal of big companies is to change fashion as quickly as possible so that people can buy more clothes. The faster the fashion trends change, the more consumers will tend to buy more since this allows them to diversify their clothing and remain updated on the trend. Although this is beneficial for customers since they’re getting clothes for an insanely cheap price, It has a lot of downsides, such as negative impact on the environment, which is why several companies started a new clothing line to help slow down Fast Fashion growing sustainable clothing brands are Patagonia People Tree, Thought, and many more. They produce eco-friendly products while reducing the impact of their production. While Fast Fashion businesses are growing exponentially with time, sustainable clothing brands are slowly getting more recognition. For example, Patagonia, an American retailer that produces eco-friendly clothing, has gained much recognition throughout the years.
Patagonia produces high-quality, environmentally friendly garments that command significant price premiums. Its environmental mission motivates it not only to donate to environmental causes and reduce the impact of its own production, but also to share its practices with other companies. While pursuing its strong environmental stance, Patagonia maintains a larger gross profit margin than its competitors and is targeting a 10% rate of annual growth in sales (Forest et al., 2012).

On top of that, a few apparel sustainability challenges exist on their own. H&M and Levi’s have each partnered with I:CO to collect clothing and footwear for reuse and recycling. I:CO provides collection bins, sorts the items so anything wearable can be sold, and recycles what is left. And retail chain C&A, recognizing the environmental effects of cotton farming, has launched an effort to purchase only organic cotton by 2020. In 2016, the Walmart Foundation awarded grants of nearly $3 million to five US universities to support research on improving the sustainability and efficiency of textile manufacturing (Nathalie et al., 2016).

### Innovative Business Strategies and Models that Support Alternative Fast Fashion

With the increasing prevalence of offering alternative fast fashion brands that can ensure a more responsive supply chain, it is imperative for researchers to consider the appropriate business model and framework that can help ensure that these businesses reach these goals. Specifically, by shifting focus to innovative business models that take consumer consumption into consideration, it is also crucial to pay attention to sustainability-driven business models that can create sustainable production and consumption. (Kozolowski et al., 2016)

In the current modern era, the circular economy and business plan have been a prevalent focus for researchers to consider methods that tie in appropriate technologies to the economic system. Behind the push for sustainability-related innovation in fashion business models, it is important for entrepreneurs to consider their costs since sustainable clothing has a higher cost when compared to regular clothing. Sustainable clothing tends to cost more since the materials are made from organic cotton, recycled clothing, and eco-friendly materials.

The specific risks related to environmentally sustainable clothing supply chains like unavailability of green materials, demand uncertainty of green products, high investment and low return of green investment, etc. are a bit different from those of other supply chains (Majumdar et al., 2021).

Sustainable clothing resources are becoming less available which leads to the clothing prices to be less affordable. Green supplier failure, high cost of green materials and non-availability of green materials are some of the supply related risks whereas lack of demand, uncertainty of demand and key customer failure are some of the demand related risks (Christopher and Peck, 2004; Wang et al., 2012; Aqlan and Lam, 2015).

### Marketing Strategies and Online Business Strategies Against Competitors

Marketing is a common thread that enables products to deliver the appropriate customer value while adhering to the profit targets. Specifically, businesses must design an efficient and sustainable business model that nudges consumers towards sustainable purchase behaviors. For instance, the leading clothing company, Patagonia’s promotion campaign, “Don’t buy this jacket” has led to consumers re-thinking their decisions of buying new products and repairing their old Patagonia items — thus, marketing can play a crucial role in the ways in which businesses modify their practices from ideation to sales. (Ray, 2023) Additionally, in establishing a proper marketing platform, researchers have looked into the efficacy of B2C marketing through directing at organizational buyers like FashionablyIn (that connects fashion houses to factors and suppliers), which enable a smooth supply chain marketing. (Ray, 2023) Lastly, business model innovation is also a crucial component to estab-
lishing appropriate fashion brands by reviewing barriers to purchasing behaviors, in addition to reviewing strategies that create awareness and education of consumers regarding the value chain of eco-friendly, raw material procurement that is environmentally-safe for disposal or recycling. This is specifically known as the value-based segmentation strategy, where brands can enforce the values and virtues of longevity, sustainability and social responsibility. (Ray, 2023)

With an emergence of sustainable businesses that have adopted ethically-conscious policies, corporate businesses and small businesses have been adhering to the appropriate marketing strategies that can enable them to stand out amongst other competitors in the same market. In tailoring these products to targeted customers, businesses have been completely transparent about their sources and supply chain of products in order to reassure customers about where their products have been exactly made and where their materials have been derived from.

**Sustainable Ethics and Policies**

With the ongoing emphasis on sustainable clothings and purchases, researchers have been analyzing various environmental ethics that can be applied towards the design and fashion of sustainable fashion. It is imperative to consider that although there is a lot of research surrounding the sustainable fashion field, the perspectives towards environmental ethics have been more limited, as sustainable fashion is still a niche area that needs further diversification in its findings. (Nilinmaki, 2015) Another group of researchers, notably Leiserowitz, Kates and Parris (2006) reaffirmed the idea that the most important virtue embedded in sustainable development is environmental protection — in ensuring that the three stakeholders amongst individuals, the economy and society achieve a comprehensive balance within the system.

Another dimension to the ethical dimensions to sustainable fashion and clothing is the ethicality issue in production. For instance, about 80% of clothing exports are being shipped from undeveloped nations; as an example, in Finland, approximately 90% of sold garments are imported from Asian nations, with only 5% being distributed from European Union (EU) nations. (Nilinmaki, 2015) Thus, it is imperative for sustainable fashion businesses and corporations to incorporate appropriate social, environmental and ethical human rights to be completely transparent about their supply chain, and where the products are being sourced, in conjunction with their manufacturing practices.

**Conclusion**

In conclusion, the concept of sustainable clothing is still relatively new in our society, which is why many people still choose to purchase clothing from Fast Fashion companies due to the fact that the cost of sustainable clothing is typically higher than that of regular clothing brands. Despite the fact that this concept has only recently been developed, many modifications are currently being implemented to reduce the influence of Fast Fashion. This includes the introduction of organic cotton, environmentally friendly materials, and recycled materials into the clothing market. Despite the majority of clothing being sourced from Asian countries and cheap textiles, there is still potential to reduce the impact of this trend.

**Acknowledgments**

I would like to thank my advisor for the valuable insight provided to me on this topic.

**References**


