

Investigating Sustainable Consumer Behavior in the Fashion Industry

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Sustainability in the fashion industry has been an evolving concern as many advocates have pointed at the industry for adversely contributing to climate and labor impacts, inciting many stakeholders across the ecosystem to change their behaviors. At the center of the industry are end consumers who account for most of the industry's environmental footprint, especially with the rise of ultra-fast fashion trends that exacerbate the frequency at which consumers purchase and dispose of new items with little concern for people or the environment. Therefore, in conducting a behavioral systems analysis, we intend to understand how to encourage the most prominent fast fashion shoppers—young urban women between the ages of 16-35 who make frequent online purchases from fast fashion brands—to consider sustainable alternatives or make a more responsible brand choice at the point of purchase. After defining the problem, empathizing with stakeholders, and discovering the key driving and restraining forces, we outline four intervention recommendations in this report that range from informative campaigns and educational programs that address the absence of general consumer awareness around sustainability to solutions that bring greater transparency to the impact of fast fashion when consumers are faced with difficult tradeoffs around the point of purchase. The following recommendations involve a variety of stakeholders and are grounded in the 4C's framework — Coordinate, Commit + Capture, Communicate, Capacity — to explain the activities needed to bring each intervention to life.

Like a lot of other non-sustainable behaviors, purchasing decisions related to apparel are driven by a limited understanding of fashion's environmental/social impacts and a general apathy towards the importance of individual climate-positive action. Even for consumers who are conscious of fast fashion's impact, they can sometimes be mired in 'sustainability math' and try to rationalize their decisions by thinking of sustainable choices in other aspects of daily life. The desire to buy more clothing is only compounded by the continuous advertising from big brands or influencer campaigns on social media, that consumers are exposed to. However, the advertising can also be used as a force for change and that is what made us think of a campaign that can serve as a call-to-action for consumers. If the same influencers and celebrities who usually advocate for new trends and brands were to come together for a campaign highlighting the impact of fast fashion and the need for more conscious purchasing, consumers can be provided with an idea to rally around or ground themselves in when thinking about their fashion choices. For example, one possible campaign medium could be a Netflix-based reality TV show spotlighting the response influential fast fashion shoppers have once put in the shoes of those impacted by the industry, such as garment workers and communities living near disposal sites. While the campaign can take the form of a movie, a

government backed series of videos, or an alternative format, we believe it would be most impactful when delivered in the form consumers are used to and delivered by people they look up to for fashion advice and inspiration.

Next, recognizing that the lack of awareness and understanding of sustainability in general is a huge barrier, we saw an opportunity to enhance knowledge around these topics through in-school and public education interventions that would be instrumental in promoting early and enduring behavior change. Our comprehensive strategy involves engaging school districts, K-12 school staff, government agencies, and third-party education content providers in offering education programs on practical sustainability knowledge to middle and high school students, similar to existing financial literacy programs. These programs would utilize various mediums from films, gamified mobile apps, field trips, and hands-on workshops to emphasize the detrimental effects of fast fashion, offer practical experiences in ecological conservation, provide guidance on repairing and repurposing clothing, and advise on what to look out for when buying new items. High school students, in particular, are incentivized through a licensing program that allows them to gain retail discounts via government-subsidized programs upon completion of these educational programs, similar to getting a driver's license. In combination, these educational programs facilitate the dissemination of useful, applicable sustainability knowledge through immersive learning experiences aimed to integrate sustainable choices into people's daily lives at an earlier age prior to when students mature to be independent shoppers. By fostering a committed collaboration for capacity building among students, schools, government bodies, and app developers, our approach aims to increase knowledge and motivation for sustainable behavior changes, addressing the limited awareness and recognition of individual responsibility that act as restraining forces for consumers.

Additionally, we discovered that there are a variety of rating schemes that measure the environmental and social impact of clothing brands, and yet, many consumers are unaware of them. These ratings are critical for awareness and transparency of which fashion brands are truly sustainable, but can only be effective if they are clear, consistent, and apparent enough to guide shoppers in making optimal choices. Thus, our proposed intervention is to first consolidate the ratings into one regulated source of truth, then mandate clothing brands provide the rating on their tags or signage in stores and in product information on their websites. Accomplishing this will require cross-functional collaboration between current rating agencies and NGOs, the federal government, and fashion companies to capture necessary data on sustainability performance across brands and sign a formal commitment to place rating information where it is most accessible to consumers. It will also take additional capacity-building to disseminate the rating system and empower companies to add it to their manufacturing and website design processes. The final critical step is communicating the rating system to consumers so they are educated about what the ratings actually mean. We anticipate this intervention will address several of the identified restraining forces, from

expanding awareness of ratings and certifications, reducing complexity in impact decision-making, and increasing understanding of environmental and social impacts. This is due to both the consolidation and mandatory visibility that will be given to ratings, along with supporting educational materials.

Finally, much of our research with stakeholders points to the complexity that exists for consumers around the point of purchase, especially when it comes to understanding the individual impact of their purchasing decisions and what alternative choices they can make. From having to make tradeoffs between affordability and sustainability to navigating a landscape of greenwashed products, consumers are constrained by their limited ability to discern how to make responsible shopping choices, even if they are aware of sustainability issues. To address this, our final recommendation is focused on developing a series of products used during, before, and even after the point of purchase tied to modifying consumer spending behavior. These products include a credit card program that gives consumers higher cashback rewards and incentives for shopping with more sustainable brands, a personal in-app dashboard that tracks purchasing behavior and highlights how these behaviors compare socially and temporally similar to “Spotify Wrapped,” and a web plug-in that assesses online shopping selections real-time to provide instant recommendations on similar product alternatives that have a lesser environmental and social footprint. Implementing these solutions in tandem will require seamless coordination between rating agencies, financial services companies, and the development of a new consumer technology venture focused on managing these solutions. In addition to getting rating agencies to share their data and credit card providers to modify their offerings as an initial commitment, a lot of focus will need to be given to marketing these solutions to consumers and educating them about the benefits in order to drive the scaled adoption needed to have a substantial upstream impact. But by creating incentives that also help consumers decipher their individual impact across shopping decisions over time and providing alternatives, this solution addresses the difficult uncertainty consumers have when trying to embed sustainability awareness into purchasing decisions.

To conclude, through our research into the fast fashion industry, we realized such a complex problem requires a multifaceted approach to affect change. Impactful solutions will require collaboration across a range of stakeholders and creative communication strategies to ensure consumers retain the importance of sustainability and how to actualize it while making purchasing decisions. Our recommendations are based on the core ideas of inspiring people to consider sustainability as a factor when purchasing clothing, educating them on the impact of fashion and importance of certifications/ratings and lastly, creating accessible and actionable transparency of sustainability measures, and developing products to influence decisions before, during, and after the point of purchase.