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**Stakeholder Reactions towards Fast Fashion CSR  
Communication**

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## **Abstract**

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The purpose of this thesis is to examine the reactions of consumers and investors towards fast fashion CSR communication. The purpose derived from the need to understand the sustainability-oriented communication strategies of fast fashion companies better, as the world in general is becoming more environmentally aware, which results in companies, regardless of their industry, to integrate sustainability into their communication. Research on investor reactions in the fast fashion context is limited, and the links between investor and consumer reactions towards fast fashion CSR communication have not been extensively covered in previous literature, which therefore presented a gap in research.

The research was conducted through an exploratory quantitative method to ensure a large sample, and to explore the phenomenon at hand. Consequently, responses were gathered from the Finnish consumers (n=86) and investors (n=56). The data analysis focused on correlation and regression analysis to understand the gathered information and to derive meaning within the collected primary data.

The results presented dissimilarities between the reactions of consumers and investors. Whereas consumers value sustainability on a value-based level, sustainability is often not visible when making a purchase at a fast fashion company. Investors, on the other hand, value sustainability on a personal level, and sustainability is a significant variable when investing into a fast fashion company.

Therefore, the results reveal that CSR communication, when directed at consumers, has no clear impact on their purchase decisions. However, when directed at investors, CSR communication increases the motivation to invest into fast fashion companies' stocks. As a result, it can be concluded that CSR communication is largely done to attract investors through sustainability, competitiveness and high value stocks and potentially relieve the guilt of consumers and therefore enable increasing purchases of fast expiring trends.

## **Tiivistelmä**

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Tämän tutkielman tarkoitus on tutkia kuluttajien ja sijoittajien reaktioita pikamuotiyritysten vastuullisuusviestintää kohtaan. Tutkielman tarkoitus pohjautuu vastuullisuustietoisuuden lisääntymiseen, mikä on johtanut vastuullisuuden sisällyttämistä yritysten kommunikointiin riippumatta niiden edustamasta alasta. Sijoittajien reaktioista on rajallisesti olemassa olevaa tutkimusta etenkin pikamuodin vastuullisuusviestinnän saralla. Kuluttajien reaktioita on tutkittu huomattavasti enemmän aikaisemmissa tutkimuksissa, mutta kuluttajien ja sijoittajien reaktioiden yhteyksiä ei ole laajalti tutkittu. Täten tutkimusaukko havaittiin.

Tutkimus tehtiin määrällisellä kartoittavalla tutkimuksella, jotta otosryhmä olisi suuri ja jotta ilmiötä olisi mahdollista tutkia laaja-alaisesti. Otosryhmä koostui 86 kuluttaja- ja 56 sijoittajavastaajasta. Kaikki tutkimukseen hyväksytyt vastaajat asuivat Suomessa. Analyysi keskittyi korrelaatio- ja regressioanalyysiin, jotta primääridatan sisältämien muuttujien väliset suhteet saataisiin selville.

Tulokset näyttivät erinäisyyksiä kuluttaja- ja sijoittajareaktioissa. Kuluttajat kokivat vastuullisuuden merkityksen ajatustasolla, mutta se ei usein heijastunut pikamuoti ostopäätöksiin. Sijoittavat toisaalta kokivat vastuullisuuden merkityksen sekä ajatustasolla että sijoittaessaan pikamuorityrityksiin.

Täten tulokset osoittavat, että pikamuotiyritysten vastuullisuusviestintä kohdistettuna kuluttajiin ei vaikuta heidän ostokäyttäytymiseensä, vaan pääsyyt pikamuoti ostamiselle ovat edullisuus, trendikkyys ja muodikkuus. Sijoittajiin kohdistettuna taas vastuullisuusviestintä vaikuttaa heidän päätökseensä ostaa pikamuotiyritysten osakkeita. Täten voidaan päätellä, että vastuullisuusviestintää hyödynnetään sijoittajille kohdistuessa vastuullisuuden, kilpailukyvyn ja arvokkaiden osakkeiden kautta. Kuluttajiin kohdistuessa vastuullisuusviestintää taas mahdollisesti hyödynnetään omatunnon kohentamiseksi, ja täten lisääntyvän trendiperäisen ostosten edesauttajaksi.

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Reaching the end of my thesis project feels surreal yet freeing, as this presents the end of my studies at LUT. My studying experience at LUT has not been the most traditional one, as both two years of my studies were overshadowed by the Covid-19 pandemic and therefore the safety procedures regarding it, such as hybrid and remote learning. Regardless I have been lucky enough to make friends even in these untraditional circumstances.

I started my master's thesis in the fall 2021 alongside the last courses of the program. This enabled me to slowly get acquainted with the existing literature relating to my thesis topic and to come up with various angles for my own research. However, I could not have done this alone. I had continuous support from my thesis advisor, Jenni Sipilä, who helped me keep my motivation high and research on point. Moreover, friends from LUT provided me with emotional support throughout this project.

The courses of the MIMM program, which I had taken prior to fully starting my thesis, provided me with great tools, knowledge, and skills to be able to finish this project. Moreover, the course content did not only help me finish this project but help me become the educated marketer ready to face new challenges in working life.

In Helsinki, 18<sup>th</sup> April 2022 Maria Silvennoinen

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# 1 Introduction

The business world is impacted by surrounding phenomena, emerging knowledge and innovations, and public perception. Throughout history companies have adapted their operations, values and missions according to their external environment (Agudelo, Johannsdottir & Davidsdottir 2019). In today's world with increasing global warming awareness and concern, companies have started to shift their focus from sole economic approach towards the triple bottom line (TBL) approach to focus on economic, social and environmental aspects when doing business (Park & Kim 2016).

To stay competitive in the market, sustainability and corporate social responsibility (CSR) have been integrated into corporate communication, branding and promotions. Even industries with an unsustainable reputation, such as the fast fashion industry, have begun to incorporate CSR orientation in their communication strategy. (Park & Kim 2016) To get a better understanding of the meaning of the CSR communication of fast fashion companies towards their stakeholders, consumer and investor reactions will be studied to determine its meaning for these two stakeholder groups.

This study will be based on the fast fashion business context. To be able to generate insights from the industry three case companies, Inditex, H&M Group and LPP, are chosen, which will be used to generate generalizations of fast fashion communication and marketing prior to conducting primary research on the topic. These large players are seen to represent the fast fashion segment in more general terms when it comes to consumption and investing.

Further on this chapter will cover the thesis project in brief through background, research questions, preliminary literature review, theoretical framework, key concepts, delimitations, research methods and thesis structure. Therefore, the aim of this chapter is to provide conceptual information about the research and topic in question.

## 1.1 Background

Sustainability branding and CSR communication has been gaining popularity and importance in the corporate world. For example, in the fast fashion industry H&M Group introduced their sustainable *Conscious* collection for the H&M brand in 2010 (The Drum 2021), and Inditex introduced their *Join Life* sustainability program for Zara in 2016 (Climate Action 2016). Generally, across industries, CSR communication has become an important part of corporate communication to react to stakeholder needs as they have increasingly started to demand more environmental actions from companies (Agudelo, Johannsdottir & Davidsdottir 2019).

Sustainability is a phenomenon that has been gaining awareness and increasing demand from the societal perspective and therefore has been putting increasing pressure on companies to react accordingly (Agudelo, Johannsdottir & Davidsdottir 2019). Therefore, sustainability and CSR have become important parts in company communication during the past years (Kesavan, Bernacchi & Mascarenhas 2013; Nielsen & Thomsen 2012; Schoeneborn, Morsing & Crane 2020).

Consumer behavior towards fast fashion CSR communication and sustainably branded fast fashion consumption has been studied extensively in prior research. It has provided insight into consumers' intrinsic (innate) and extrinsic (external) motives when it comes to sustainability (Andreu, Casado-Diaz & Mattila 2015; Christis & Wang 2021; Gazzola, Pavione, Pezzetti & Grechi 2020; Jaesuk, Sang & Kyung 2020). Investor behavior towards sustainable companies has been studied to an extent for instance by Arya and Zhang (2009), and Murashima (2020), but so far this scope has excluded fast fashion companies with sustainability orientation.

Even though it is generally understood that the incorporation of sustainability positively influences stakeholder perceptions towards companies, the overwhelming unsustainability that overshadows the fast fashion field makes the general understanding of improving brand image through sustainability more complex and controversial (Flores-Hernández, Olavarria-Jaraba, Valera-Blanes & Vázquez-Carrasco 2020; Gazzola et al. 2020; Groza, Pronschinske & Walker 2011; Jaesuk, Sang & Kyung 2020; Ki-Hoon & Dongyong 2010). For this reason, more research in this field is necessary to better understand the influences that company communication generates has on stakeholders.

Therefore, to close the research gap regarding the reactions of stakeholders towards CSR communication of fast fashion companies, this thesis aims to study the psychological and

behavioral reactions of consumers and investors to better understand the impact of different kinds of CSR communication, marketing and branding efforts made by fast fashion companies.

## 1.2 Research Questions

This thesis aims to study the reactions of consumers and investors, and their potential differences, towards CSR communication of fast fashion companies in Finland, to shed light on what kind of CSR communication is effective for these two stakeholder groups and to understand how the different CSR communication approaches affect their psychological and behavioral reactions. To fill the research gap, this thesis will answer one main research question (RQ) and three sub-research questions (Sub-RQ). These questions are presented below.

The main research question aims to fill the research gap in general terms. The research gap is the reactions of consumers and investors towards CSR communication of fast fashion companies. Consumers and investors are only studied due to their significance for company operations and growth as they generate cashflow. As a result, the main research question goes as follows:

**RQ: How do consumers and investors react to CSR communication in the fast fashion context?**

The sub research questions enable the main research question to be broken into smaller segments, which are easier to answer. To begin the categorization of the main research question, the first sub-research question aims to provide insight into the knowledge of the stakeholder groups about fast fashion companies' sustainability.

The understanding and knowledge of fast fashion sustainability will be based on the shared information through marketing communication and corporate reporting to ensure the focus stays on the CSR communication of fast fashion companies and to include CSR communication of a variety of different channels. Moreover, it will be studied which stakeholder groups, i.e. consumers and investors, truly look for this information when engaging with a specific fast fashion company. Therefore, the first sub research question goes as follows:

**Sub-RQ1: What is the understanding of fast fashion companies' sustainability for consumers and investors, and who looks up this information?**

After determining the state of stakeholders' understanding of fast fashion companies' sustainability, the second sub research question aims to examine the role of sustainability when the studied stakeholder groups decide to engage with a given fast fashion company. The sustainability studied will focus on the aspects which are branded, communicated and marketed rather than truly studying the foundation of the sustainability. This provides general insight into the behavioral aspects of the stakeholders. Therefore, the second sub research question goes as follows:

**Sub-RQ2: What is the role of sustainability when choosing to shop at/invest in a fast fashion company?**

After determining the role of sustainability for consumers and investors when shopping at or investing in fast fashion companies, the third sub research question aims to examine the effects fast fashion companies' sustainability has on investors and consumers and how these effects differ between the two stakeholder groups. Therefore, the third sub research question goes as follows:

**Sub-RQ3: How do consumer and investor perceptions differ regarding fast fashion companies' communicated sustainability?**

### 1.3 Preliminary Literature Review

Throughout history companies have focused on and invested in communication strategies towards their stakeholders (Agudelo, Johannsdottir & Davidsdottir 2019). Communication enables companies to share their vision and mission with their target audience to create resemblance, attraction and differentiation from competition (Morsing 2017; Ziek 2009). Moreover, communication can take form through different strategies, which oftentimes include promotions, reporting and branding (Kesavan, Bernacchi & Mascarenhas 2013; Ros-Diego &

Castello-Martinez 2012; Troise & Camilleri 2021). As a result of global warming and corporate responsibility awareness, communication strategies have increasingly begun to incorporate sustainability and corporate social responsibility (CSR) into the messaging (Grubor & Milovanov 2017).

CSR communication enables companies to share their economic, social and environmental perspectives of the company operations to their stakeholders (Morsing 2017). Oftentimes the targeted stakeholders include those who affect the success and profitability of the given company (Liu, Wong, Ski, Chu & Brock 2014).

CSR communication enables advertising and promotional characteristics to be integrated into stakeholder communication (Kesavan, Bernacchi & Mascarenhas 2013; Ros-Diego & Castello-Martinez 2012; Troise & Camilleri 2021). This kind of communication strategy enables companies to create awareness, promote their sustainability (Grubor & Milovanov 2017), enhance their brand image, improve stakeholder relationships and share their corporate goals (Flores-Hernandez et al. 2020; Loucanova, Supin, Corejova, Repkova-Stokova, Supinova, Stofkova & Olsiakova 2021).

CSR communication has been found to improve and deepen the brand image of even unsustainable companies. This has been discovered through increased profitability and enhanced consumer perception. (Arrigo 2013; Viana 2020) Sustainability branding has been noticed to be viewed as the company sharing their internal values, which in the case of sustainability branding, include the concern for the environment and social welfare (Gazzola et al. 2020; Jaesuk, Sang & Kyung 2020). Even if sustainability was a core value of a fast fashion company, the business environment contradicts these core values, which creates an attitude behavior gap in consumers (Grubor & Milovanov 2017). Moreover, the perception of buying sustainable products according to the linear economy contradicts the concept of sustainability (Andreu, Casado-Diaz & Mattila 2015).

Stakeholder communication has been gaining more popularity from companies due to the positive return on invest it generates due to improved relationships and ability to reflect the stakeholder demand to improve performance (Andreu, Casado-Diaz & Mattila 2015; Christis & Wang 2021). Due to the scope of this thesis, the most important stakeholders are consumers and investors, because consumers create the demand and bring in cash flow, and investors

enable the company to operate, invest and grow. Moreover, both stakeholder groups have been noticed to focus increasingly on CSR and sustainability of companies they interact with (Agudelo, Johannsdottir & Davidsdottir 2019).

Consumers and investors have been found to react differently to CSR communication. Whereas consumers experience an increase in the trust they have towards the company they interact with and furthermore an increase in their purchase intentions (Christis & Wang 2021; Krisch & Grabner-Kräuter 2017), investors are concerned with the type of CSR related news coverage the company is surrounded with and in general sustainable investing reflecting personal values of sustainability (Barnea, Cronqvist & Siegel 2010; Talan & Sharma 2019).

To determine the authenticity of CSR communication towards stakeholders, intrinsic and extrinsic motives of companies are increasingly focused on. Intrinsic motives are innate motives, which drive decisions based on values and beliefs, and extrinsic motives are external motives generated from outside influence, such as social pressure. These motives help stakeholders determine the transparency of the communicated message. (Gazzola et al. 2020; Jaesuk, Sang & Kyung 2020; Ki-Hoon & Dongyong 2010) Furthermore, due to the promised company goals, beliefs and values embedded into the brand promise, brand incorporated sustainability has been noticed to be seen as more meaningful towards consumers than when marketed separately (Jaesuk, Sang & Kyung 2020; Kumar & Christodouloupoulou 2013; Loucanova et al. 2021).

As stakeholders have been noticed to react positively to CSR communication, it has created the emergence of greenwashing. It is the strategy of making the company operations seem more sustainable than they truly are to react to societal pressure or to seem more attractive towards stakeholders. (Marquis, Toffel & Zhou 2016) Therefore, the skepticism of companies doing greenwashing is higher towards companies operating in unsustainable industries like fast fashion (Yunjeong & Kyung 2020).

Investor reactions towards fast fashion CSR communication have not been extensively studied in the past, which creates a research gap in literature. Consumer reactions towards fast fashion CSR communication, on the other hand, have been more extensively studied. However, the reactions of consumers towards varying extensiveness of CSR communication, understanding consumers' perception of fast fashion companies' sustainability, and the types of consumers

who look up the CSR-related information about fast fashion companies in Finland has not been studied extensively, which creates another research gap in existing literature.

#### 1.4 Theoretical Framework

The theoretical framework presented below in Figure 1 provides insight into the different themes the thesis will consist of and their interdependence on one another. In addition, the theoretical framework shows the structure of the research of this thesis. By following the presented flow and structure, the thesis will follow the impact of CSR communication from the operational perspective towards the studied stakeholders. The generated structure and research plan will make the study coherent and provide a strong foundation to conduct primary research and eventually fill the research gap.

As presented in Figure 1, the main research topic of this thesis is to study the reactions of stakeholders towards fast fashion CSR communication. To be able to study this topic, it is categorized into three further categories to make the study easier to approach. These three categories are (1) branding and communication of fast fashion CSR, (2) stakeholder psychological reactions towards fast fashion CSR communication, and (3) stakeholder behavioral reactions towards fast fashion companies.

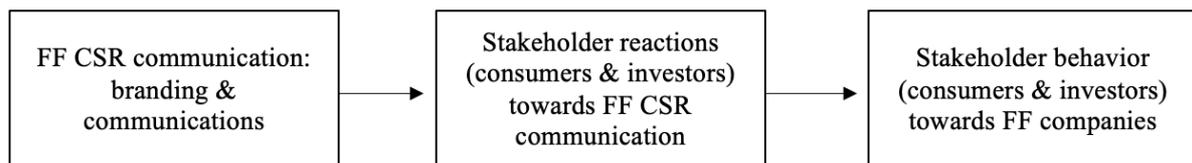


Figure 1. Theoretical framework (FF=fast fashion)

Prior research has presented insights into the connections presented in Figure 1. Christis and Wang (2021), Jaseuk, Sang and Kyung (2020) and Krisch and Grabner-Kräuter (2017) found sustainably branded products to increase perceived trust towards the company, and Flores-Hernandez et al. (2020) and Loucanova et al. (2021) found CSR communication to improve stakeholder relationships. Moreover, the generated psychological reaction based on experienced CSR communication have been found to increase purchase intention of consumers (Christis & Wang 2021; Krisch & Grabner-Kräuter 2017) while it has been noticed to have

varying effects on investors based on their investing and family background (Barnea, Cronqvist & Siegel 2010). However, consumers have been noticed to become increasingly skeptic towards CSR communication due to the increased awareness of greenwashing (Parguel, Benoit-Moreau & Larceneuz 2011).

Even though some information about the thesis topic exists, gaps in research are identified when it comes to the Finnish market, and consumer and investor reactions there. Moreover, investor reaction insight in sustainable fast fashion context is limited in nature, which enables the thesis to pursue further. Finally, potential interconnectedness of the reactions of the two stakeholder groups are studied to discover potential new insights.

## 1.5 Key Concepts

The key concepts used in this thesis are defined in this chapter to state the contextual definitions. This is found relevant due to the potential differences in meanings the concepts may have depending on the study they are portrayed in. Therefore, this sub-chapter aims to clarify the used definitions and their meaning in this study to minimize confusion.

### **Attitude behavior gap:**

Attitude behavior gap presents the gap between the actions taken and the values of the given party. This is visible in the fast fashion market where consumers are increasingly demanding more CSR activities from companies, but the demand for green products is not as high. This is due to CSR not being as important criteria in purchase decision as it is from a value-based approach. (Grubor & Milovanov 2017)

### **Brand image:**

Brand image is the mental image stakeholders have of a given brand based on their experience and interactions from the past. Even though a brand image is a subjective view of a given company, it does not necessarily have to be a purchase-based relationship. Brand image can be controlled by the company through communication strategies to ensure its reputability, and to maintain and improve the perception stakeholders have of it. (Lehner & Halliday 2014)

**Consumer paradox:**

Consumer paradox is the phenomenon where consumers experience a conflict between the positive and negative features of a purchase or experience. This phenomenon can be seen to reflect on sustainable fast fashion as this field includes both positive and negative implications when it comes to frequent purchasing according to the linear economy and having a concern for the environment. (Blesserholt 2021; Flores-Hernández et al. 2020; Öberseder, Schlegelmilch & Gruber 2011)

**CSR communication:**

CSR (corporate social communication) communication is a term used to describe the communication of companies towards their stakeholders. CSR communication includes the different aspects related to this concept: social, environmental and economic. CSR communication has been found to increase the perceived transparency of a company and to have a better relationship with stakeholders as they are located at the center of the communication strategy. (Moracikova, Stefanikova & Rypakova 2015)

Sustainability communication, on the other hand, overlaps with CSR communication as it includes the communication of social, environmental and economic aspects of a business while anticipating stakeholder reactions (Nwagbara & Reid 2013). Sustainability communication is seen important in brand management and stakeholder relationship management (Nwagbara & Reid 2013), which therefore makes it more extensive than CSR communication. However, to enhance the coherency of the thesis, the term CSR communication will be used to cover both communication types.

**CSR reporting:**

CSR reporting is more broad than traditional reporting. Whereas traditional corporate reporting focuses on the economic approach, CSR reporting includes economic, environmental and social data. This kind of reporting is used to inform stakeholders about CSR activities, risks and opportunities to increase the company's long-term competitiveness. (Moracikova, Stefanikova & Rypakova 2015)

**Fast fashion:**

Fast fashion is a concept that presents the phenomenon of companies in the fashion industry bringing out frequent and quickly expiring trends at affordable prices and enable linear

economy behavior, which in turn keep the demand and revenue high. This business model is seen to enable individuals to fulfill their ideal selves through the trendy apparel they purchase. (Cavender & Lee 2018; Pears 2006; Rafferty 2011; Simpson 2019) The continuous self-fulfillment and therefore continuous consumption, can be seen as the basis for the tremendous demand for fast fashion companies for both consumers and investors.

### **Green marketing:**

Green marketing is a marketing strategy, which includes various activities that aim to satisfy stakeholder needs while using minimal environmental resources to decrease the impact these activities have on the surrounding nature. These activities include both marketing and manufacturing. (Polonsky 1994)

### **Greenwashing:**

Greenwashing is a strategy used by companies to present themselves as more sustainable than they realistically are. It often consists of vague and modified data to create the feeling of transparency to cover the company's true performance. (Marquis, Toffel & Zhou 2016) Throughout years the awareness around CSR, sustainability and greenwashing has been increasing, which has led to increased skepticism towards the sustainability promotion of especially fast fashion companies (Kashyap, Menisy, Caiazzo & Samuel 2020; Yunjeong & Kyung 2020). This strategy is at times used when companies experience pressure to report on their environmental impacts (Marquis, Toffel & Zhou 2016). Even though the goal of the greenwashing strategy is to be viewed in a positive light, greenwashing, when detected, can have severe negative reactions from both consumers and investors (Delmas & Burbano 2011).

### **Intrinsic and extrinsic motives:**

Intrinsic and extrinsic motives present the innate and external motives companies, consumers and investors may have when for instance promoting their concern for the environment. Innate (intrinsic) motives present the motives the party truly believes in, and external (extrinsic) motives present the motives that are created from external influence. (Christis & Wang 2021; Gazzola et al. 2020; Jaesuk, Sang & Kyung 2020; Ki-Hoon & Dongyong 2010)

### **Stakeholder engagement:**

Stakeholder engagement sheds light on the interaction and communication a company has with its stakeholders (all parties being affected by the operations of a given company) (Mathur, Price

& Austin 2008). Stakeholder engagement is seen to provide positive or negative value for the company and its stakeholders through the dialogue they have with one another. (Phillips 2010)

### **Stakeholder reactions:**

Stakeholder reactions are the result of how a stakeholder group experiences something that is either generated by or linked to a given company (Friedman & Miles 2002; Zhang, Zhang & Zhou 2021). In the context of this thesis the stakeholder reactions focused on will have an emphasis on company communication. The stakeholder reactions can vary from emotional to behavioral reactions (Friedman & Miles 2002; Zhang, Zhang & Zhou 2021).

### **Sustainable brand:**

A brand includes the communication of company's core message, such as value provided, uniqueness of offering and brand promise, through a logo or a slogan, which aims to communicate the symbolic value to the stakeholders to differentiate from competition. Sustainability, on the other hand, has been increasingly incorporated into brands as it has been shown to improve the relationships the brand has with its stakeholders. Therefore, a sustainable brand is company's brand communication focused on their promises, which include sustainability. (Grant 2008; Grubor 2016)

## 1.6 Delimitations

This thesis focuses on studying the effects on fast fashion consumption and investing created by CSR communication of fast fashion companies. Therefore, the theory focuses on CSR communication and stakeholder literature. This enables this thesis to study the effect of using this communication strategy when targeting consumers and investors. Due to the delimitation to the communication strategy, other aspects of CSR and sustainability of fast fashion companies is not included in the study, such as internal communication and employee well-being.

This thesis focuses on studying the stakeholder reactions towards fast fashion companies' CSR communication. However, the research limits itself to only studying two stakeholder groups: consumers and investors. In this study these two stakeholder groups are seen crucial as they

are both bringing in the monetary resources for these companies to grow. However, studying other stakeholder groups is a recommended approach for future research.

Moreover, this study will focus only on the Finnish market. This approach is chosen as Finland as a country is known to be amongst the leaders in sustainability (UN Sustainable Development Report 2021). Therefore, insight into how consumers and investors react to sustainability integration in a generally unsustainable field in a sustainability-oriented market is found to be intriguing and insightful. On the other hand, due to increasing demand of sustainability, conducting this study in other markets could provide more insight into how the specific stakeholders react to CSR communication of fast fashion companies, and how these reactions differ from the Finnish sample.

## 1.7 Research Methodology

The collection of existing knowledge and theory during the planning phase of this thesis has presented research gaps in the existing literature of the field of fast fashion CSR communication. The identification of these research gaps has enabled to structure this thesis around them and have presented the need for primary research to be conducted.

This thesis will utilize a quantitative approach to data collection and analysis. This approach is chosen due to its ability to collect data from a large sample size (Sukamolsen 2007). Moreover, with an extensive take of the target sample quantitative data collection is more likely to provide a general picture of the studied sample (Sukamolsen 2007).

To reach a large sample size for the primary research, a questionnaire will be used due to its ability to collect descriptive and explanatory data. Moreover, quantitative data analysis will reveal descriptive data, and correlation and regression insights of the studied stakeholders. (Saunders, Thornhill & Lewis 2019; Sukamolsen 2007)

## 1.8 Thesis Structure

This thesis will consist of two main sections: theoretical literature and empirical data analysis. These two sections enable all existing data to be gathered on the studied topic and result in literature gaps being fulfilled with primary data. More specifically, the thesis consists of six main chapters: introduction, literature review, outlook of the fast fashion industry, research methodology, results, and discussion and conclusions.

Introduction presented the research questions, background to the study, preliminary literature review and delimitations of the study. The literature review, on the other hand, will cover the existing literature on the studied topic to collect data on existing research to avoid reinventing the wheel. Outlook of the fast fashion industry will provide the context onto which the theory is reflected prior to generating the questionnaire. Research methodology will include information regarding the primary data collection and analysis, and the results chapter will present the results of this primary research. Finally, discussion and conclusions will summarize the main findings and propose ideas for future research.

To present a connection between the research question (1<sup>st</sup> chapter), literature review (2<sup>nd</sup> chapter) and primary data collection and analysis (4<sup>th</sup> and 5<sup>th</sup> chapters), the linkages between the factors are portrayed in Figure 2 below. The figure provides insight into the effects and contributions each section of the thesis has on one another.

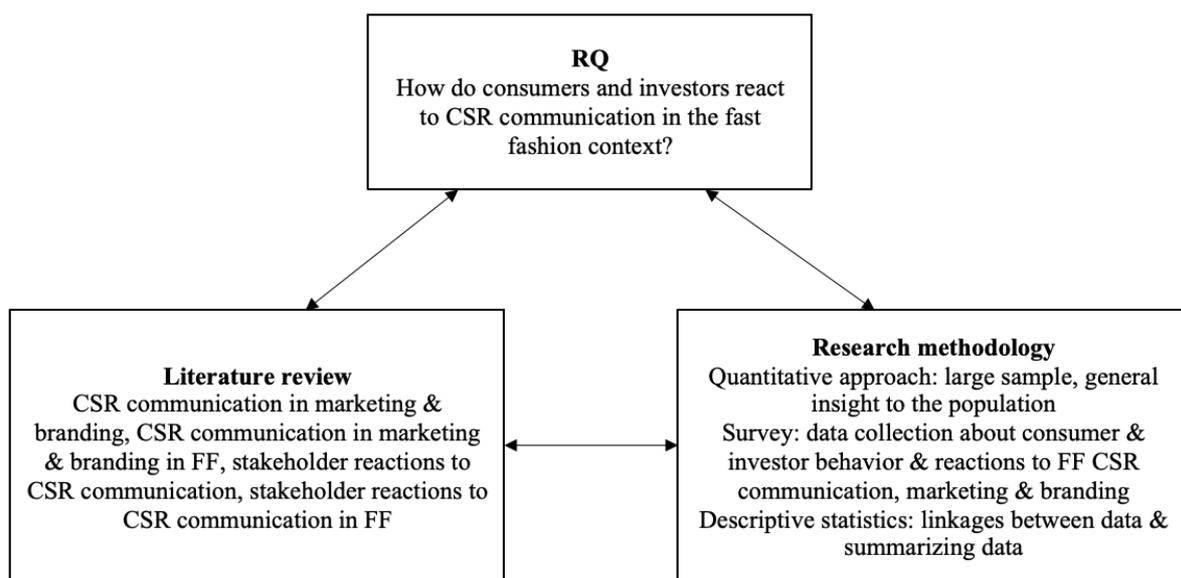


Figure 2. Links between thesis structure (FF=fast fashion)

Figure 2 above portrays the actionable plan of this thesis and shows the links between the various parts of the work. The research question is integrated into all the parts of the thesis: theory, primary data collection and data analysis. This ensures that the whole thesis aims to answer the research question. Theory, on the other hand, is linked to the data collection and the main research question to ensure the theory supports the research gap and answering it and helps create useful survey questions.

Primary data collection, as portrayed in Figure 2, is linked to all parts of the thesis process as this is the data that does not exist yet and therefore plays a crucial part in filling the research gap. Finally, the data analysis is connected to the research question and primary data collection to get as much useful insights from the collected primary data as possible.

## 2 Literature Review

Stakeholder reactions portray the effective use of communication, branding, call-to-actions, reliability, credibility and responsiveness (Groza, Pronschinske & Walker 2011). However, a cornerstone for stakeholder reactions both in terms of application and evaluation are largely based on the understanding of stakeholder behavior (Morsing 2006). This cause-effect relation is reasoned due to the reaction towards the communication resulting in a certain form of behavior of consumption or investing.

To provide an overview from existing literature regarding the topic, the three following sub-chapters will cover existing theory around CSR communication, stakeholder psychological reactions towards CSR communication and stakeholder behavioral reactions towards CSR communication in the fast fashion context. The structure of the literature review chapter will follow the theoretical framework presented in Figure 1.

The first sub-chapter will focus on CSR communication both in marketing and in the fast fashion context. The second sub-chapter will cover stakeholder psychological reactions towards CSR communication first through consumer reactions, followed by investor reactions and then in the fast fashion context. Finally, CSR communication from the behavioral approach of consumers and investors will be covered within the fast fashion context to narrow the scope of the literature review and to build on the foundation covered in chapter 2.2. The narrowed scope enables to provide a more specific theoretical foundation for the primary research.

### 2.1 CSR Communication

Stakeholder reactions towards CSR communication have been found to differ from stakeholder behavior in existing literature. The reasoning for the differences in application are based on values, beliefs and principles that may only be visible on an idealistic level, but not in action. This reasons the existence of the attitude behavior gap, which exists when there is a gap between the actions taken and the values of the given party. (Grubor & Milovanov 2017) Moreover, as found by Zhang, Zhang and Zhou (2021), there is an increased awareness of sustainability even within the fast fashion industry amongst consumers, which does not automatically result in sustainable purchase intentions.

To generate an understanding of how consumers and investors react to CSR communication in general terms, this chapter will cover CSR communication in general, in marketing and its use in the fast fashion context.

### 2.1.1 CSR Communication in General

Corporate social responsibility (CSR) communication is a way companies anticipate stakeholder expectations and manage corporate communication. This communication is used to reach stakeholders and provide them with transparent information regarding the company's operations' social, environmental, and economic aspects. (Morsing 2017)

The target audience of CSR communication are the stakeholders, which are both directly and indirectly impacted by the company's operations (Morsing 2017; Ziek 2009). However, from the corporate perspective the most important stakeholders of CSR communication targeting are the ones bringing in cashflow (i.e. consumers and investors). Therefore, CSR communication often aims to improve brand image and reputation and improve relationships with the important stakeholders (Ziek 2009).

With the rise of CSR communication, the linkages between CSR communication and practices have been focused on. In 2016 Grubor brought forth the sustainability profitability relationship model by Nastanski and Baglione (2014) to further examine the links between CSR communication and profit improvement. The framework breaks the sustainability-profitability relationship into different categories enabling a deeper understanding of the competitiveness sustainability can have for a business. This framework is presented below in Figure 3.

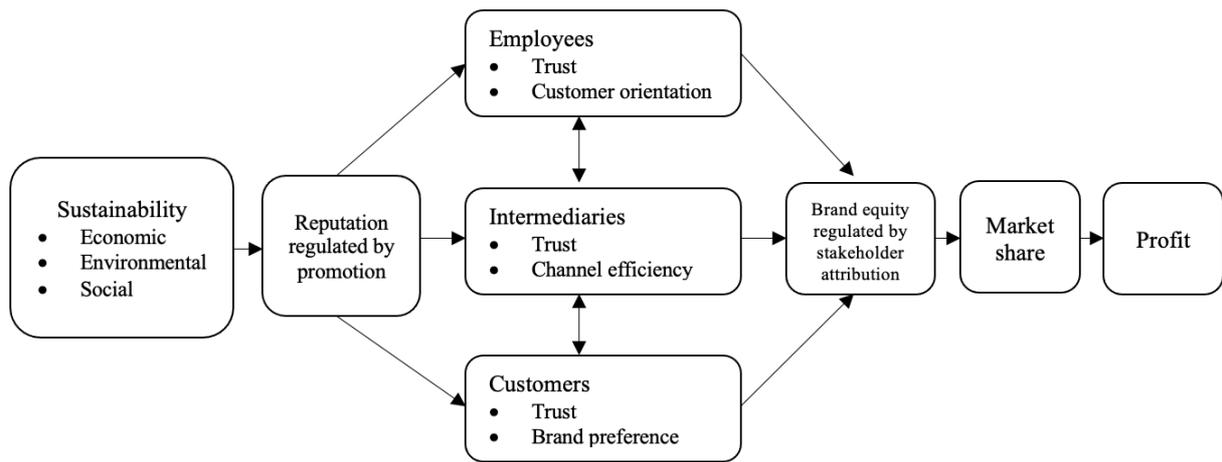


Figure 3. Sustainability-profitability relationship framework (adapted from Nastanki & Baglione (2014) in Grubor (2016))

### 2.1.2 CSR Communication in Marketing

CSR is often being communicated to stakeholders through the same platforms as advertising (Nielsen & Thomsen 2012; Ros-Diego & Castello-Martinez 2012; Troise & Camilleri 2021). Nowadays, with the increasing use of social media, the social media platforms have also become a crucial way for companies to communicate about their corporate social responsibility goals and actions (Kesavan, Bernacchi & Mascarenhas 2013; Ros-Diego & Castello-Martinez 2012; Troise & Camilleri 2021).

Instagram and Twitter have been found to be the most effective social media platforms for companies to communicate about their CSR (Troise & Camilleri 2021). Furthermore, Kesavan, Bernacchi and Mascarenhas (2013) studied the meaning of CSR for companies and found it to be a crucial branding tool and a brand that can enable companies to reach out to stakeholders globally.

In 2012 Nielsen and Thomsen found CSR management and communication to be crucial for companies to improve the mutual understanding of CSR between stakeholders and companies. Moreover, Ros-Diego and Castello-Martinez (2012) emphasized the usefulness of social media platforms due to their interactive and dialogue-motivating characteristics. However, they found social media to be less relevant for CSR communication and more important for general advertising (Ros-Diego & Castello-Martinez 2012).

The integration of CSR into branding has increased in popularity during the past decades partly due to social pressure (Agudelo, Johannsdottir & Davidsdottir 2019). Regardless of many stakeholders expecting brands to become sustainable, green consumers only represent a small niche in the market (Grubor & Milovanov 2017). Therefore, it is crucial for companies to create a brand with sustainability integrated into it while maintaining consumers' interest, being accessible and sought after (Grubor & Milovanov 2017).

CSR and sustainable branding allows consumers to think they are engaging with a “good brand” (Ki-Hoon & Dongyong 2010). Moreover, sustainable brands have been noticed to provide companies with a competitive advantage, because it has led to positive corporate reputation and brand image and to positive word-of-mouth generation amongst consumers (Flores-Hernandez et al. 2020; Loucanova et al. 2021). However, some companies do not include CSR into their brand, but communicate it to their consumers via marketing campaigns (Yunjeong & Kyung 2020). This kind of CSR communication has been noticed to increase the perception of greenwashing in the eyes of consumers (Yunjeong & Kyung 2020; Blesserholt 2021), and skepticism towards companies' communicated sustainability-orientation in general has increased as a result of increased sustainability awareness and CSR communication (Parguel, Benoit-Moreau & Larceneuz 2011).

Due to the usefulness of CSR in branding and competitiveness, it has also become at times merely a branding tactic (Kesavan, Bernacchi & Mascarenhas 2013; Schoeneborn, Morsing & Crane 2020). Therefore, Schoeneborn, Morsing and Crane (2020) categorized companies under three names based on their motivation to match their CSR communication and practices. These categories are walking-to-talk, talking-to-walk and t(w)alking (Schoeneborn, Morsing & Crane 2020).

The proposed categories introduced by Schoeneborn, Morsing and Crane (2020) about the motivation and authenticity of companies' CSR practices enable the categorization of organizations based on their intrinsic and extrinsic motives. The categories (walking-to-talk, talking-to-walk and t(w)alking) allow the separation of company commitment to CSR goals.

Walking-to-talk refers to the practices made by the companies to be able to communicate about the practices made. In this approach the ability to communicate about taken actions is seen as a bigger priority than the actions themselves. Talking-to-walk, on the other hand, refers to

communication enabling and encouraging the organization to act on their CSR practices. In this approach the actionable steps are seen to be more important than the communication. (Schoeneborn, Morsing and Crane 2020)

Finally, t(w)alking refers to the combined motive of both communicating and taking practical action to CSR initiatives and goals (Schoeneborn, Morsing and Crane 2020). Therefore, it could be stated that t(w)alking is the most desirable plan of action as it presents the most transparent and realistic way of both communicating and practicing CSR.

As stated above, CSR communication is often integrated with marketing and branding strategies. Like presented by Schoeneborn, Morsing and Crane (2020), organizations often have preempted reasoning for their CSR practices and communication. This finding alone is not surprising, as the resources invested into the execution of CSR tactics needs to be reasoned within the organization, but more so shed light on the motives of different CSR approaches.

The existing theory covered in this sub-chapter strengthens the fact that CSR is largely incorporated due to its competitive benefit. Having a competitive strategy is good for the given business but generates skepticism for the credibility and validity of the shared information by the company. To get a better understanding of how CSR communication is executed by fast fashion companies, the next sub-chapter 2.1.3 covers the CSR communication in within this industry.

### 2.1.3 CSR Communication in the Fast Fashion Industry

CSR reporting and communication in the fast fashion context has been studied from the consumer point of view in prior research. The incorporation of CSR communication has been shown to increase purchase intentions and increase brand loyalty (Viana 2020). Furthermore, CSR communication has been shown to have a positive impact on brand meaning and perception, improved consumer perception and increased business profitability (Arrigo 2013). In other words, CSR communication has a competitive benefit for fast fashion companies.

Regardless of the positive impacts, Parguel, Benoit-Moreau and Larceneuz (2011) discovered that the increasing amount of CSR data being provided to the public has increased the

skepticism of transparency in the information being shared especially in an unsustainable industry, such as fast fashion. Moreover, the increased skepticism has been noticed to result in greenwashing claims, which have been shown to have a clear negative impact on the brand and its perception (Delmas & Burbano 2011).

The incorporation of CSR communication has been shown to attract consumers to purchase from the given brand when compared to ones lacking this approach (Viana 2020). However, communication about CSR has been criticized when it has not led to concrete actions but only verbally react to social pressure (Garcia-Torres, Rey-Garcia & Albareda-Vivo 2017). CSR reporting and communication within the fast fashion industry has been presented to provide a foundation for strategy analysis but not to create an actionable strategy to reach the CSR-related goals (Garcia-Torres, Rey-Garcia & Albareda-Vivo 2017).

The way the CSR actions taken by a company are communicated to stakeholders have been noticed to have an impact on the consumer perception of the given brand (Groza, Pronschinske & Walker 2011). Quadir (2020) found numeric data on sustainability and CSR initiatives in marketing to increase positive reactions in consumers towards fast fashion companies. This means that concrete communication results in better reactional outcomes.

Fast fashion companies have established strong brand images for themselves and increasingly these are sustainable brands (Flores-Hernández et al. 2020; Jaesuk, Sang & Kyung 2020; Kumar & Christodouloupoulou 2013). This is seen to be the result of CSR communication having a positive impact on the brand images of fast fashion companies (Flores-Hernández et al. 2020; Gazzola et al. 2020; Groza, Pronschinske & Walker 2011; Ki-Hoon & Dongyong 2010). This kind of integration of sustainability promises consumers certain values to be visible throughout the value chain of the given company and communicates to consumers about companies' intrinsic and extrinsic motives behind their CSR (Gazzola et al. 2020; Jaesuk, Sang & Kyung 2020).

Even though sustainable branding has shown to be advantageous for fast fashion companies to utilize, the sustainable branding across the industry does not follow the same pattern. For example, H&M Group openly promotes their sustainability to the public (H&M Group 2022a) as presented in chapter 3.3.2, whereas Inditex is more discreet about their actions, as presented in chapter 3.3.1. A reason for Inditex's more subtle approach may be the concern for

greenwashing claims and the mismatch between sustainability and the unsustainable fast fashion business model. Moreover, due to the represented unsustainable industry, the CSR promotion could be viewed as artificial as suggested by Yunjeong and Kyung in 2020.

Due to the increased CSR awareness of the public, the growing unsustainable fast fashion industry is being criticized. Even through fast fashion companies bring forth their CSR practices and goals, the ever-growing landfills are contradicting the sustainability concerned fast fashion companies. Adding on, the sustainability element of fast fashion is found to increase consumption motives of consumers (Blessersholt 2021; Flores-Hernández et al. 2020) making the sustainability branding controversial. However, the aim of this thesis is to discover the effect the fast fashion CSR communication has on consumers and investors and not to examine the ethics behind stakeholders' decision-making.

## 2.2 Stakeholder Psychological Reactions towards CSR Communication

As stakeholders are known to affect the operations and success of companies, it is important to study their reactions towards CSR communication. In support of this statement, Morsing (2006) presented findings about common reactional outcomes of external stakeholders towards a company's CSR communication and their impact on the company.

According to Morsing (2006), the common outcomes varied based on the effectiveness of the communication. With effective CSR communication the target audience experienced a positive reaction and a sense of belonging towards the brand. On the other hand, with poor CSR communication, the reaction generated was negative and resulted in criticism and disidentification. (Morsing 2006) Therefore, the perception of CSR communication by stakeholders is important and is included in the literature review to create a general understanding of the stakeholder reactions towards CSR communication in general and in the fast fashion context.

Due to the scope of this thesis, the most important stakeholders are consumers and investors, hence only they are included in the study. These two stakeholder groups are significant because of their importance for a company to operate: consumers create the demand and bring in cash flow, and investors enable the company to operate, invest and grow. Moreover, both

stakeholder groups have been noticed to focus increasingly on CSR and sustainability of companies they interact with (Agudelo, Johannsdottir & Davidsdottir 2019). The psychological reactions of stakeholders will be covered in this sub-chapter on a general level and later in the fast fashion context.

### 2.2.1 Consumer Psychological Reactions towards CSR Communication

Effective CSR communication directed at consumers is a crucial topic in research as many companies invest heavily into it (Andreu, Casadi-Diaz & Mattila 2015; Christis & Wang 2021). The increased investment of company resources is due to results showing that CSR communication has been noticed to enhance trust and improve purchase intention of consumers towards the given brand (Christis & Wang 2021; Krisch & Grabner-Kräuter 2017).

Christis and Wang (2021) found that the combined use of CSR in message content, style and praise tactics increased the consumer trust and purchase intention towards the given company. However, rational messages about CSR were found to be the most effective in comparison to emotional content when it comes to consumer CSR awareness creation (Andreu, Casado-Diaz & Mattila 2015). Furthermore, concrete arguments for CSR were found to be efficient in CSR communication when directed at consumers (Bartikowski & Berens 2021). This can be partly reasoned due to the increased awareness of CSR and increased skepticism towards CSR communication.

As CSR communication is becoming a popular mean to engage with stakeholders, consumers are at times overwhelmed with the information they are provided leading to assumptions of greenwashing (Parguel, Benoit-Moreau & Larceneuz 2011). This occasionally leads to truly sustainable companies being difficult to identify from the masses, and may lead to false greenwashing claims (Parguel, Benoit-Moreau & Larceneux 2011). Due to this kind of a shielded reaction by consumers, companies have started to become careful with their CSR communication to avoid claims of greenwashing (Delmas & Burbano 2011).

To protect the image of companies, sustainable brand generation has become more popular. This is due to consumers having been found to perceive branding to reflect the intrinsic motives and values of companies. This, therefore, makes the CSR communication to appear more

genuine and intrinsic driven. (Andreu, Casado-Diaz & Mattila 2015; Christis & Wang 2021) Furthermore, sustainable brands have been found to experience an increase in consumer confidence and loyalty (Loucanova et al. 2021), which further motivates companies to use this strategy.

Consumers are increasingly demanding more CSR activities from companies even though the demand for green products is not as high as the demand for green companies. This presents the attitude-behavior gap in the market where sustainability is valued by the consumers but is not the key decision criteria when it comes to purchasing. (Grubor & Milovanov 2017) This finding portrays the conflict between the increased demand of CSR communication and the low demand of green products (Grubor & Milovanov 2017).

### 2.2.2 Investor Psychological Reactions towards CSR Communication

As CSR has become an essential part of brand building and marketing for many companies, investors have also started to note its significance in the marketplace (Hockerts & Moir 2004). As a result, CSR communication has been found to have an impact on the reactions of investors (Arya & Zhang 2009; Murashima 2020). Murashima (2020) discovered that private citizen who invest into the stock market are more focused on positive CSR news coverage and professional investors focus more on negative CSR news coverage. Therefore, it has been found that CSR-related information impacts the reactions of investors according to their goals, skills and available information (Arya & Zhang 2009; Murashima 2020).

Even though CSR has been found to create positive reactions in investors, Hockerts and Moir (2004) found there to be differences in the extent a piece of CSR communication is able to affect different investors. These differences were the result of the type of investor in question. Private citizens who invested their money into stocks were less informed about CSR related aspects than those working in financial institutes with an extensive reach of contacts and knowledge to the business in question. (Hockerts & Moir 2004; Murashima 2020) This finding is seen to present the differences in sustainability's importance for different investors based on their investing status.

Moreover, Barnea, Cronqvist and Siegel (2010) found that innate characteristics such as genetics and family environment affect the way an individual participates in and allocates assets in the stock market. This means that in the case that sustainability is a value of the investor, it is likely to be visible in their investments, too. Furthermore, Lovric, Kaymak and Spronk (2008) found investors to be individuals who adapt and evolve based on the surrounding and available information to improve and update their perception and behavior as investors. This finding suggests a reactive approach to the stock market: when sustainability is a concern for the external environment, it becomes a concern and therefore a focus for the investor as well.

### 2.2.3 Stakeholder Psychological Reactions towards CSR Communication in the Fast Fashion Context

Consumer reactions within the fast fashion industry from the point of view of CSR has been extensively studied in the past. The studies have shown CSR to play a part in the decision-making process of consumers even when purchasing goods at fast fashion companies, which are well-known for being unsustainable due to their fast fashion cycles, poor quality and low prices allowing instant gratification purchases to be justified (Groza, Pronschinske & Walker 2011; Ki-Hoon & Dongyong 2010; Stringer, Mortimer & Payne 2020).

CSR communication has been shown to create positive emotions in consumers even when the industry, like fast fashion, would not be considered sustainable (Christis & Wang 2021; Krisch & Grabner-Kräuter 2017). More specifically, CSR communication has been noticed to decrease the guilt of consumers when purchasing unsustainably, which inevitably has resulted in the integration of CSR to become a part of competitive advantage for fast fashion companies (Blessersholt 2021; Flores-Hernández et al. 2020; Ki-Hoon & Dongyong 2010).

Furthermore, CSR communication has been noticed to have a positive impact on the brand image of fast fashion companies (Flores-Hernández et al. 2020; Gazzola et al. 2020; Groza, Pronschinske & Walker 2011; Ki-Hoon & Dongyong 2010). As discovered by Flores-Hernández et al. (2020), Loucanova et al. (2021) and Groza, Pronschinske and Walker (2011), CSR communication generates more positive reactions in consumers when it is seen to be a part of the mission rather than a stand-alone promotion.

With the increasing significance of CSR in brand building and marketing, investors have also started to note its significance in the marketplace (Hockerts & Moir 2004). As a result, CSR communication, both generated by or about the given company, has been shown to have an impact on investor reactions (Arya & Zhang 2009; Murashima 2020). This means that companies, which react to external influences, such as CSR incorporation, are perceived in a more positive light than those with no sustainability orientation. This is partly linked to the findings by Flammer in 2013 about CSR-oriented companies performing financially better than the ones lacking this approach. Even though these results are not from a fast fashion context, they are included to enable the building of a general foundation of investor reactions.

Throughout the years as awareness around CSR, sustainability and greenwashing has been increasing, consumers have become increasingly skeptic towards the CSR communication of fast fashion companies (Yunjeong & Kyung 2020). The greenwashing suspicion can be seen to be largely based on the complexity of fast fashion companies' business models, which lack transparency namely in the supply chain and business practices (Blessersholt 2021). Once green marketing is combined with the complex business model, often due to social pressure and competitive advantage, it is at times interpreted as greenwashing (Lehner & Halliday 2014; Blessersholt 2021). This can be assumed to be the reason for Zara's and LPP's approach to not heavily promote their sustainability to continue to be perceived in a neutral way, as presented in chapters 3.4.1 and 4.4.3.

Green marketing has its advantage for fashion companies as consumers tend to be willing to pay higher prices for sustainable clothing pieces. However, when a company implements green marketing, they want to avoid greenwashing accusations as it significantly harms the brand image. (Blessersholt 2021; Lehner & Halliday 2014; Majlath 2017) Therefore, green marketing requires an effective communication strategy, which often requires more resources to ensure the correct message to be shared with the audience.

### 2.3 Stakeholder Behavioral Reactions towards CSR Communication in the Fast Fashion Context

Stakeholder behavior is seen to be the activity resulting from the reaction of the communication they have been exposed to or it can result from habitual patterns, values or the social environment where the given party engages in. Due to the different variables affecting the behavioral response of the stakeholders, the behavioral response to for instance fast fashion CSR communication is seen to be more complex than the sole psychological reactions. (Zhang, Zhang & Zhou 2021) Moreover, the involvement of variables affecting decision-making of consumption, and inevitably making the process complex, is presented in Figure 4 below.

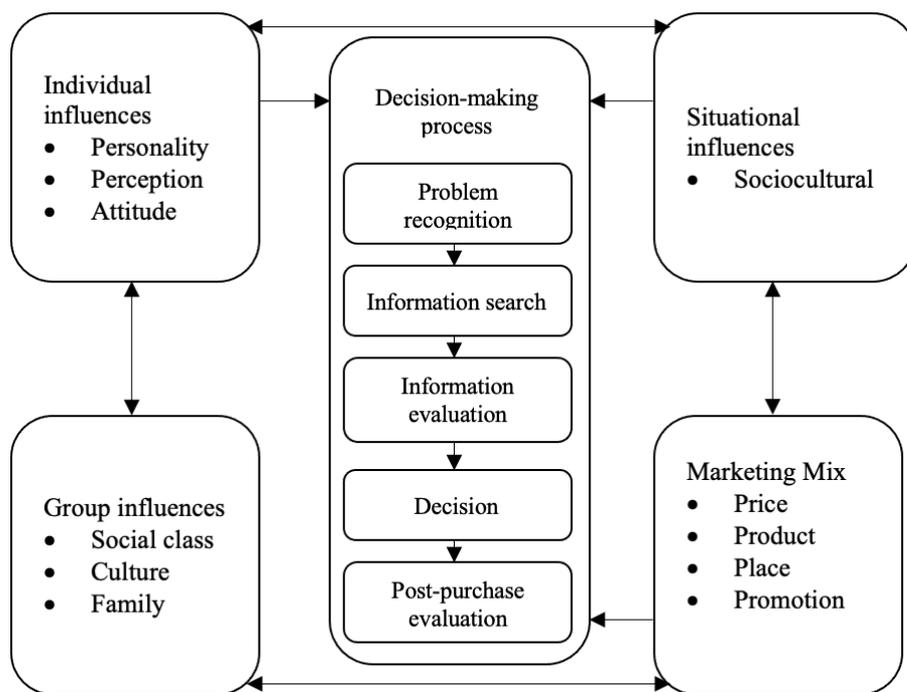


Figure 4. Consumer decision-making process and influencing factors (adapted from Zhang, Zhang & Zhou 2021)

Due to the more complex context of behavioral research, this chapter only focuses on the stakeholder behavior towards CSR communication in the fast fashion context. This sub-chapter will first cover the consumer behavior towards CSR communication in fast fashion context and then the investor behavior towards CSR communication in the fast fashion context.

### 2.3.1 Consumer Behavioral Reactions towards CSR Communication in the Fast Fashion Context

Consumer behavior within the fast fashion industry from the point of view of CSR has been studied in the past. CSR has been noticed to play a part in the decision-making process of consumers even when purchasing goods at a fast fashion brand. In this scenario consumer paradox can be detected as consumption of fast fashion products are seen to have both good and bad implications based on their personal evaluation. (Groza, Pronschinske & Walker 2011; Ki-Hoon & Dongyong 2010; Stringer, Mortimer & Payne 2020)

On the other hand, attitude behavior gap visible is through the increase in the awareness and demand for CSR within the fast fashion industry amongst consumers but it often does not reflect the purchases made. (Joy, Sherry, Venkatesh, Wang & Chan 2012; Zhang, Zhang & Zhou 2021) This has been reasoned through the will of consumers to follow fast-moving trends to create their personal identities through their clothing pieces, which is possible through affordable clothing purchases (Lundblad & Davies 2015; Rafferty 2011; Simpson 2019). This means that when the consumer prioritizes the self-identity stemming from clothing to own values of sustainability, the affordable clothing consumption has been noticed to be more important.

Javed, Yang, Gilal and Gilal (2020) studied the effect different sustainability claims throughout the supply chain had on green perception and behavior in the fast fashion context. They found eight types of claims that positively influenced the green behavioral intent. These included *sustainably sourced materials, water saving, recycling clothes, fair wages and good working conditions*. (Javed et al. 2020)

Moreover, different elements of CSR have been noticed to have differences in importance for consumers regardless of low price being the most important variable (Chan & Wong 2012; Ki-Hoon & Dongyong 2010; Liu et al. 2014; Swinney & Cachon 2011; Öberseder, Schlegelmilch & Gruber 2011). The most significance has been given to employee well-being and local effects of company operations (Ki-Hoon & Dongyong 2010; Stringer, Mortimer & Payne 2020), but when studying the behavioral reactions to different CSR communication, compassion was found to increase consumers sustainable purchase behavior (Greiger & Keller 2017). These findings to an extent support the findings of Javed et al. (2020). This means that by incorporating the most important CSR elements to CSR communication, the consumption behavior has been found to increase.

Sustainability-orientation of companies has been noticed to decrease the guilt of consumers. This has then resulted in the integration of CSR to become a part of competitive advantage for fast fashion companies. (Ki-Hoon & Dongyong 2010; Joy et al. 2012) Therefore, sustainably branded fast fashion products provide rational reasoning for consumers to overconsume and continue to buy according to the linear economy. Moreover, fast fashion consumption has become a habit that consumers partake in and has been integrated into various parts of people's lives (Pears 2006). As the high consumption has become an integral part of daily lives, the elimination of fast fashion has been introduced to solve the problem of overconsumption (Peters, Li & Lenzen 2021).

An alternative way to move from fast towards slow fashion has been found to be the marketing of style instead of trends (Gupta, Gwozdz & Gentry 2019). This is reasoned as trends expire quickly whereas style is more stable and continuous (Gupta, Gwozdz & Gentry 2019). However, the foundation for the business model of fast fashion companies is the fast-moving trends, self-expression possibilities, affordability and disposability (Joy et al. 2012), which makes sustainability incorporation inherently difficult in terms of operations and regards to shift in consumer perception. The elements of fast fashion meaning, and life cycle are portrayed in Figure 5 below.

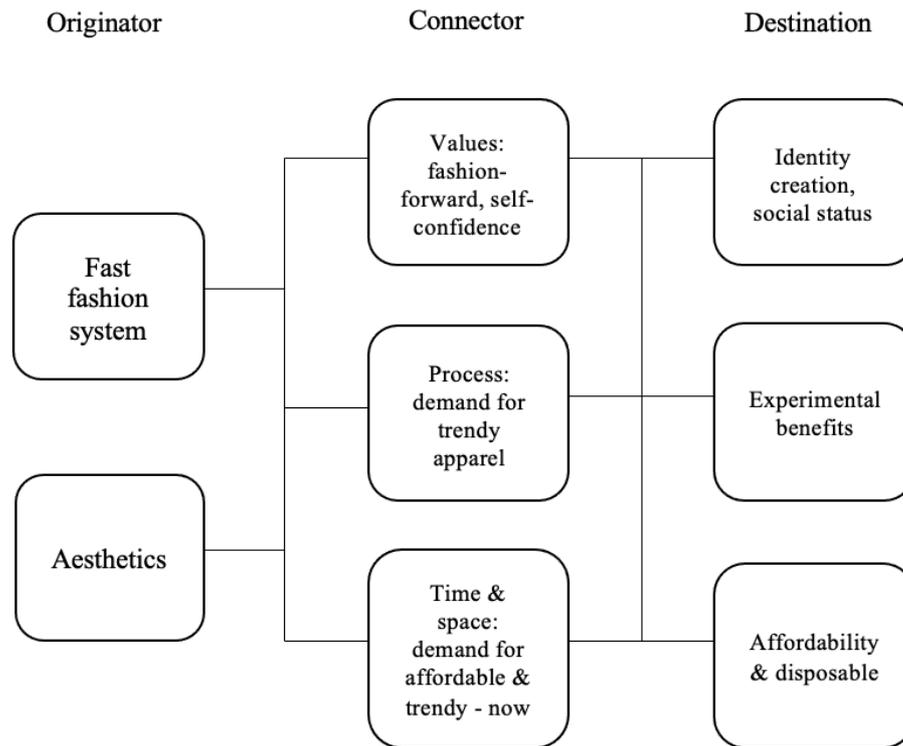


Figure 5. Fast fashion identity creation and life cycle (adapted from Joy et al. (2012))

Even though fast fashion consumption has been noticed to be habitual for many individuals, McDonald, Oates, Young and Hwang (2012) studied the green consumer groups with an aim to decrease their personal fashion consumption. They found three categories of individuals: translators, exceptors and selectors. The categories are created to help marketers better understand the communication strategies they should utilize when targeting each category (McDonald et al. 2012).

According to McDonald et al. (2012) translators are the individuals who are interested in sustainability on a general level but do not have extensive knowledge about it. Therefore, they are easy to sway into purchase decisions by incorporating sustainability into the message. Moreover, purchase decisions are mainly based on extrinsic motives. Exceptors, on the other hand, are individuals with extensive knowledge about sustainability, and therefore require proof of sustainability before purchasing. This group of individuals tend to purchase based on their intrinsic motives. Finally, selectors do not act on a clear pattern but purchase sustainably sometimes. Most of the consumers consist of selectors. (McDonald et al. 2012)

As the masses are, according to McDonald et al. (2012), selectors whose future consumption behavior is difficult to predict, the consumer behavior towards fast fashion companies' CSR communication is difficult to predict and moreover the success of such communication is difficult to determine beforehand. This finding aligns with other existing literature about consumer paradox and attitude behavior gap of purchases not aligning with internal values but consumption behavior more reflecting the external social environment (Cavender & Lee 2018; O'Cass 2004).

There has been noticed to be correlation with involvement in the fashion industry and the awareness of the industry, which has been found to increase confidence with fashion purchase decisions (O'Cass 2004). This shows the increasing knowledge of the industry of those individuals who are fashion centric, and work as influencers to either their social circles or online to a large audience (Cavender & Lee 2018; O'Cass 2004). The increasing knowledge, on the other hand, is linked to confidence in fashion purchasing, which can result in increasing sustainability orientation and decreasing the attitude behavior gap in fast fashion purchasing (Cavender & Lee 2018; O'Cass 2004).

Establishing brands within the fast fashion industry allows companies to communicate their internal values to their stakeholders (Jaesuk, Sang & Kyung 2020; Kumar & Christodouloupoulou 2013). In the cases of strong brands with loyal customers, brand addiction has been recognized (Mrad, Majdalani, Cui & Khansa 2020). Brand addiction was studied from the perspective of fast fashion companies by Mrad et al. in 2020, and they found it to be the reason for overconsumption in the case of some consumers. Brand addiction was found to reflect similar purchase decision reasoning as general habitual fast fashion consumption: continuous following of new trends and perceived gained value from purchases (Mrad et al. 2020; Pears 2006; Simpson 2019).

As CSR communication has been noticed to relieve guilt of fast fashion overconsumption, brand addiction further deepens the will of endless consumption of consumers. Therefore, the combination of brand addiction and CSR communication enable fast fashion companies to reason to consumers through rational and emotional tactics motivating overconsumption.

### 2.3.2 Investor Behavioral Reactions towards CSR Communication in the Fast Fashion Context

Investor behavior towards CSR communication in the fast fashion context has not been extensively studied. However, general insights have been gathered from the investor landscape. These include the increasing focus on CSR principles, communication and goals of companies. Due to the general awareness of environmental and social concern, companies with a CSR approach to business have been noticed to perform better (Flammer 2013). This, as a result, leads to more stock purchases of the sustainable companies due to their high demand and increasing value.

The attitude behavior gap, however, may have an effect on this theory proposed by Flammer (2013). Even though an increasing number of consumers demand sustainability from fast fashion companies, their behavior does not align with the value-based demand. This may result in fast fashion companies with a sustainability approach to focus on attracting sustainable investors rather than sustainable consumers.

Regardless of consumer demand, CSR has been noticed to have an impact on investor behavior due to the press coverage it may result in (Murashima 2020). Environmental and social concern go beyond consumers and are concerns of the public in general. This may result in bad press for a company with insufficient CSR actions or claims of greenwashing, which negatively influences the brand image and therefore public and investor interest towards the company. This analysis is supported by the findings of Murashima in 2020 about the CSR-related news coverage having an impact on the behavior of investors.

Murashima (2020) found investor behavior to reflect the media coverage of CSR in either a positive or negative investment activity. Flammer (2013) presented similar findings with a focus on both CSR media coverage and shareholder proposals. Shareholder proposals are recommendations or requirements by shareholders for a company board of directors to act on. Flammer (2013) presented a relational figure on the effects the media news coverage had on increased CSR proposals, where the increasing news coverage led to an increasing number of shareholder proposals. Hence, the findings by Flammer (2013) support the arguments of Murashima (2020).

Sustainable investing has been proposed as a solution to ESG (environmental, social, governance) issues by financial markets being given more accountability for their impacts. Also, an increasing number of investors have been noticed to want to reflect ESG-related values and solutions by their investments leading to increasing sustainability investing. (Talan & Sharma 2019) The same result was presented by Lovrick, Kavman and Spronk in 2008.

In addition to CSR reporting of companies having an increasing impact on investor behavior, Espahbodi, Espahbodi, Juma & Westbrook (2019) found the relevance and reliability of provided CSR reporting of companies to affect the investor behavior. Moreover, the relevance and reliability were expected to only become more important in the future (Espahbodi et al. 2019), and according to Flammer (2013) the stock prices of environmentally conscious companies increase over time while the effect was the opposite for companies with little or no focus on the environment.

Even though these findings of sustainable investing and sustainable investor behavior are general in nature, they can be applied to the fast fashion context, too. Investor behavior inevitably comes down to improved financial performance, which in the current environmentally aware world is often linked to sustainability (Eccles & Serafeim 2013; Korhonen, Honkasalo & Seppälä 2018). Therefore, reliable, relevant and transparent information about fast fashion companies' CSR performance and goals is seen to have an effect on investor behavior in regard to fast fashion companies.

#### 2.4 Synthesis of Stakeholder Reaction Literature towards Fast Fashion CSR Communication

The main arguments of the existing literature, covered in previous sub-chapters, are synthesized in this chapter to present further linkages between the covered literature and the theoretical framework presented in chapter 1. To follow the structure of the framework, this chapter will first cover the CSR communication in the fast fashion context, followed by the CSR communication's effects on stakeholder psychological reactions and finally the psychological reactions effect on the behavioral reactions in the fast fashion context.

Branding in the fast fashion context is common, however, the brands have increasingly become sustainability-oriented (Flores-Hernández et al. 2020; Jaesuk, Sang & Kyung 2020; Kumar & Christodouloupoulou 2013). This is reasoned because sustainability branding has been found to seem more genuine than stand-alone sustainability promotions as suggested by Flores-Hernández et al. (2020), Loucanova et al. (2021) and Groza, Pronschinske and Walker (2011). Furthermore, CSR communication has been found to improve fast fashion companies' brand image, meaning and perception amongst stakeholders (Arrigo 2013; Flores-Hernández et al. 2020; Gazzola et al. 2020; Groza, Pronschinske & Walker 2011; Ki-Hoon & Dongyong 2010). This is reasoned to an extent through consumers thinking they are supporting a good brand, which leads to lower levels of experienced guilt when purchasing unsustainable trend-oriented fast fashion products (Ki-Hoon & Dongyong 2010; Joy et al. 2012), and investors portraying positive reactions towards sustainable companies (Hockerts & Moir 2004).

Even though CSR focused communication and branding have been stated to be effective for fast fashion companies, the increasing amount of shared CSR communication has led to more skepticism towards the communicated CSR efforts (Parguel, Benoit-Moreau & Larceneuz 2011). In the cases that greenwashing claims are made, it has been found to have significant damage to the company's reputation (Delmas & Burbano 2011). These findings question the true effectiveness of CSR communication in the fast fashion context, because of the seemingly unsustainably industry it is in. Therefore, it can be questioned whether CSR communication of fast fashion companies truly aims to reach stakeholders with sustainability-orientation. This analysis is supported by the findings of Viana (2020) about the integration of CSR communication to increase purchase intention and brand loyalty, and the findings of Joy et al. (2012) and Zhang, Zhang and Zhou (2021) of increase in CSR demand in the fast fashion context, which is not visible in purchase decisions.

Most consumers have been noticed to have ambiguous consumption patterns when it comes to sustainability (McDonald et al. 2012), which aligns with the literature covering the existence of consumer paradox and attitude behavior gap (Cavender & Lee 2018; Grubor & Milovanov 2017; O'Cass 2004). These findings lead to the assumption, combined with the findings of Joy et al. (2012) and Zhang, Zhang and Zhou (2021) about increasing CSR demand amongst consumers that does not automatically translate to purchase decisions, that CSR concern would be more extrinsic than intrinsic for consumers, which reasons its lower influence in behavior. On the other hand, investors have been found to have more innate motives to invest into

sustainable companies stemming from for instance family environment (Barnea, Cronqvist & Siegel 2010). Furthermore, as found by Flammer (2013), companies with a CSR approach tend to perform better in the marketplace compared to ones lacking this approach. This further provides motives for investors to be focused on sustainability-oriented companies.

Even though existing literature about CSR communication in the fast fashion context is extensive, some gaps have been identified. Consumer skepticism towards fast fashion CSR communication has been identified, however, further insight is seen to be lacking on how skepticism and CSR orientation of consumers is visible in their behavior in the Finnish market, and how these variables influence one another. Moreover, the skepticism of investors towards fast fashion companies' CSR communication would benefit from further insight. Investor reactions have been studied to an extent in general, but literature explicitly in the fast fashion context is limited, which presents opportunities to fill research gaps. Regardless of consumer and investor reaction-oriented literature towards CSR communication has been studied previously, there is limited nature of literature combining these two stakeholder groups' reactions and comparing them against one another to identify potential interconnectedness between them.

### 3 Outlook of the Fast Fashion Industry

This chapter covers the fast fashion industry through some of the major players. More specifically, the focus will be on the marketing communication, sustainability and CSR communication of Inditex, H&M Group and LPP. These three organizations are included in the comparative outlook based on their extensive sizes: Inditex and H&M Group are amongst the two largest fast fashion companies worldwide (Statista 2022), and LPP has shown abnormally high demand in the Finnish market when opening their stores in 2019 (Ilta-Sanomat 2019). Moreover, the three organizations are assumed to have amongst the largest presence in the Finnish market in the fast fashion context. The extensive presence enables generalizations to be made from the psychological reactions and behavior of consumers and investors towards them.

#### 3.1 Case Company Introductions

Inditex consists of eight fashion brands, which are Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home and Uterque. Inditex was established in 1963 in Spain and today operates in 88 countries. The organization is one of the largest fashion retailers globally, but their focus is mainly on fast fashion. (Inditex 2022a)

H&M Group, on the other hand, was established in 1947 in Sweden and today operates in 75 markets (H&M Group 2022b). H&M Groups consists of eight different brands: H&M, COS, Weekday, Monki, H&M Home, & Other Stories, Arket and Afound. H&M Group is located within the fast fashion industry; however, the organization emphasizes the importance of CSR throughout their communication. (H&M Group 2022a)

Finally, LPP is a Polish fashion apparel company, which consists of five fast fashion brands: Reserved, Mohito, House, Cropp and Sinsay, was established in 1991 and today operates in 40 different markets (LPP 2022a). LPP's brands have a general coherency to their strategy: allowing their customers to fulfill themselves with their clothing purchases at affordable prices (LPP 2022b). Even though Finland has been recognized as one of the most sustainable countries in the world (UN Sustainable Development Report 2021), the sales records of these stores broke the ones of the launch in London in Oxford Street (main shopping street in

London) (Ilta-Sanomat 2019). This shows the interest of consumers towards these fast fashion companies new to the Finnish market.

It should be noted that not all brands of Inditex and H&M Group are included in the further analysis of their marketing communication, sustainability and CSR communication. The inclusion and exclusion of the organizations' brands for further analysis is presented and explained in Appendix 1.

### 3.2 Marketing Communication of Case Companies

Analyzing the marketing strategies of the included brands are included to get a better understanding of how and through which channels the brands communicate with their stakeholders. Most of the included brands of Inditex do not execute out-bound marketing efforts, H&M Group's brands marketing is extensive, and LPP's brands marketing is mainly focusing on social media. A more detailed overview of the marketing strategies of the included brands is presented in Table 1.

*Table 1. Marketing communications of included fast fashion brands*

<b>Organization</b>	<b>Brand</b>	<b>Marketing communication</b>
Inditex	Zara	Organic social media marketing (Zara 2022e)
Inditex	Bershka	Influencer marketing, collaborations (BlueCactus 2022), organic social media marketing (Bershka 2022a)
Inditex	Stradivarius	Organic social media marketing (Stradivarius 2022a)
Inditex	Oysho	Organic social media marketing (Oysho 2022a)
H&M Group	H&M	Multi-channel promotion: advertising, sales promotion, internet promotion, collaborations, influencer marketing (Startup Talky 2021), organic social media marketing (H&M 2022g)
H&M Group	COS	Direct marketing: email, SMS, mail marketing (COS 2022a), organic social media marketing (COS 2022c)
H&M Group	Weekday	Advertisement, promotion, mobile app ads, direct marketing: email, SMS, social media marketing, web browser advertising (Weekday 2022a; Weekday 2022c)
H&M Group	Monki	Social media marketing, influencer marketing, sales promotions (Monki 2022b; SlideShare 2015)
H&M Group	& Other Stories	Ads, promotions, social media marketing, digital marketing, direct marketing: email, SMS (& Other Stories 2022a; & Other Stories 2022c)
LPP	Reserved	Influencer marketing, social media marketing (Modern Buyer Behaviour 2019; Reserved 2022b)
LPP	Mohito	Influencer marketing, social media marketing (Modern Buyer Behaviour 2019; Mohito 2022a)

LPP	House	Influencer marketing, social media marketing (House 2022b; Modern Buyer Behaviour 2019)
LPP	Cropp	Influencer marketing, social media marketing (Cropp 2022a; Modern Buyer Behaviour 2019)
LPP	Sinsay	Influencer marketing, social media marketing (Modern Buyer Behaviour 2019; Sinsay 2022a)

### 3.3 Sustainability of Case Companies

The inclusion of the case companies' sustainability provides further insight into the CSR actions and goals the three organizations have communicated about. Furthermore, studying the sustainability of the case companies provides more information about the presentation of their CSR communication.

#### 3.3.1 Sustainability of Inditex

Inditex launched their Environmental Strategy Plan for 2016-2020 in 2016, and they have incorporated CSR actions into their operations. These include the use of sustainable materials, increase in recycling and reduction of energy consumption throughout the value chain. (Inditex 2022d) Moreover, the core values of CSR are stated to be equality, diversity and professional development while creating value for stakeholders and improving the communities where the organization operates in (Inditex 2022c).

*Join Life* program was introduced by Inditex in 2001 but was introduced for the organization's brands much later, as an example for Zara in 2016 (Climate Action 2016). The aim of the program is to ensure CSR integration throughout the value chain. Moreover, the program ensures continuous and increasing use of sustainable materials. (Zara 2022b) However, as stated by Segran (2019), there are no industry standards for 'sustainable materials', which makes this statement open for interpretation.

#### 3.3.2 Sustainability of H&M Group

H&M Group has a sustainability vision, which consists of being at the forefront of change towards circular and environmentally friendly fashion while taking care of the wellbeing of its employees. Moreover, the organization aims to reach a climate positive value chain by 2040. (H&M Group 2022b)

H&M Group shares their goals and tactics for their business openly. Amongst the main CSR goals of H&M Group include becoming circular, decreasing the use of plastics, minimizing the generation of waste, innovating new sustainable materials, aiming to only use recycled materials and to manufacture all products from recycled or sustainable materials, and source 100% renewable energy (H&M Group 2022c). The current CSR actions, on the other hand, include a 14% reduction of packaging, a 24% reduction in plastic packaging, 100% use of organic, recycled and sustainably sourced cotton, and using 65% recycled and sustainably sourced materials. (H&M Group 2020) Even though the concepts are vague in nature, they present the foundation for the company to further build on their sustainability.

### 3.3.3 Sustainability of LPP

LPP as an organization has taken a strong stance in sustainability. They focus on all aspects of the concept: social, environmental and economic. The company reports about their sustainability on their website and refer to external referrals and certificates their reporting and operations have received. These include: Carbon Disclosure Project score B, 6<sup>th</sup> place in corporate register reporting, and 2<sup>nd</sup> place and the title of climate aware company. (LPP 2022c)

LPP states 32% of Reserved's collections to be *Eco Aware* and the company has reduced 2.2% CO2 emission per individual piece of apparel. Moreover, the organization emphasizes the work environment of its employees and focuses on respect and openness. Regarding the economy, the company states to pay its taxes to Poland, which boosts the economy. (LPP 2022d)

## 3.4 CSR Communication of Case Companies

The CSR communication of the three case companies is included to collect information of the used CSR communication strategies. This enables better interpretation of the primary data results as well as further foundation for survey question generation.

#### 3.4.1 CSR Communication of Inditex

Inditex's corporate reporting follows the recommendations issued by the leading reporting initiatives: Global Reporting Initiative (GRI), United Nations Global Compact Principles, Sustainable Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD). Moreover, Inditex uses Integrated Reporting (IR). (Inditex 2022e)

Zara, Bershka and Oysho present the *Join Life* sustainability program through their Instagram highlights, which includes social and environmental sustainability, and general sustainability goals of the program (Bershka 2022; Oysho 2022; Stradivarius 2022a; Zara 2022e). As a result, the CSR communication of Zara, Bershka and Oysho takes place through company websites, focal company's corporate reporting and social media channels, but only through company website and corporate reporting for Stradivarius (Bershka 2022c; Inditex 2022c; Inditex 2022d; Oysho 2022c; Stradivarius 2022c; Zara 2022b).

#### 3.4.2 CSR Communication of H&M Group

H&M Group utilizes materiality and materiality matrices in their reporting (H&M Group 2022f). This means that they listen to stakeholders, anticipate their needs and enable them to identify the important sustainability points for the organization. This shows stakeholder engagement and inclusion in the operations, and the organization states to prioritize transparency, credibility and reliability to a wide range of stakeholders (H&M Group 2022g). Furthermore, H&M Group's corporate reporting is in accordance with the GRI standards, the UN Global Compact Principles and UN Guiding Principles Reporting Framework (H&M Group 2022g).

H&M communicates their CSR actions in an extensive manner on their website, in addition to the sustainable *Conscious* collection (H&M 2022f), and sustainability is integrated into the brand also in their social media (H&M 2022g). COS, on the other hand, presents their whole collection as sustainable due to sustainably sourced and organic materials (COS 2022b), and promotes social sustainability on their social media (COS 2022c). Weekday has a different approach through bringing forth the unsustainability of the industry on their website and state 97% of their materials to be sustainably sourced (Weekday 2022b), but their social media does not include mentions about sustainability (Weekday 2022c). Monki states to be working on their CSR communication and therefore do not share information about their sustainability on their website at the current time (Monki 2022a), however, they promote their social and environmental sustainability on their social media (Monki 2022b). Finally, & Other Stories share their sustainable goals, information about products' sustainability and tips on prolonging the lifetime of products (& Other Stories 2022b) and continue to promote their sustainable brand on social media (&Other Stories 2022c).

### 3.4.3 CSR Communication of LPP

LPP's CSR communication is not being strongly communicated to stakeholders as it is not integrated into the marketing efforts the same way as done by the H&M Group. Instead, the sustainability is being mainly communicated through the organization's website and their corporate reporting, and slight focus is on the social media channels. (LPP 2022c)

Reserved and House have an *Eco Aware* page on their website, where they promote their *Eco Aware* collections and the improved impacts the sustainability-oriented pieces have on the surrounding environment. The *Eco Aware* collections focus on using renewable energy in stores, reducing the use of plastics, and using sustainably sourced materials for products. (House 2022a; Reserved 2022a) However, Reserved and House do not promote sustainability on their social media (House 2022b; Reserved 2022b). The rest of the brands share a link on their website to the webpage of LPP, where the organization's CSR efforts are communicated. Moreover, Mohito and Sinsay do not promote sustainability on their social media, but Cropp shares insight on product care to prolong the lifetime and encourage to think before seasonal upgrades to wardrobes (Cropp 2022; Mohito 2022; Sinsay 2022).

Even though LPP and its brands communicate their sustainability on their website, they openly state their promotional strategy to include low price points, which allows individuals being able to reach their ideal selves through their clothing (LPP 2022b). Therefore, it can be concluded that there are discrepancies between the strategy of the company and their CSR communication and goals.

### 3.5 Inditex, H&M Group and LPP's CSR Communication Compared

Inditex and LPP, and H&M Group have chosen different paths when it comes to their CSR principles, tactics and goals as covered in the sub-chapters above. Whereas Inditex and LPP have not fully incorporated sustainability into their marketing and branding, H&M Group has a clear focus on the sustainability side of the business, which is rather openly promoted to stakeholders compared to the other organizations analyzed in this thesis.

Inditex, H&M Group and LPP use claims recommended by Javed et al. (2020) to positively influence consumers' behavioral purchase intention in the context of fast fashion companies. This is reasoned as Inditex and H&M Group use claims like *sustainable materials* and *recycling clothing* in their communication, and LPP uses claims like *good working conditions* and *fair wages* in their communication.

Some of the three case companies' brands use social media to communicate about their CSR and sustainability to their stakeholders. This aligns with the findings of Troise and Camilleri (2021) to use social media to communicate the company's sustainability to the target audience. However, this is not the used approach by all brands, which therefore also aligns with the findings of Ros-Diego and Castello-Martinez (2012) about social media not being the appropriate way to communicate CSR information.

It is evident that all three case companies have integrated CSR into their branding in varying extents. This aligns with the findings of Ki-Hoon & Dongyong (2010) who suggested that this created the positive feelings in consumers as they felt they were supporting a good brand. Furthermore, Flores-Hernández et al.'s (2020) findings support this approach to CSR inclusion as they stated to have a positive impact on the brand image of fast fashion companies, and

Morsing, Schultz and Nielsen's (2008) findings about holistic incorporation of CSR into communication being the most efficient way to integrate it into meaningful communication.

As stated in the article by Bangkok Post (2020), H&M has included sustainability into their mission due to the increase of demand from Generation Z and Millennials. This increased demand of Generation Z can be expected to have an impact when comparing the findings of Truong (2021) about H&M being the most frequently purchased brand by Generation Z consumers. The high demand of H&M's products by generation Z may be reasoned partially due to the enhanced sustainability focus of the brand. Even though Inditex has a larger market share in total (Statista 2022) the demand of younger generations is significantly higher for H&M than it is Zara according to the data provided by Truong (2021).

However, it should be stated that the different CSR communication strategies of Inditex and LPP, and H&M Group cannot be viewed as inferior or superior to one another. Even though the CSR communication of H&M Group, according to Truong's (2021) findings, are effective, H&M Group has been heavily criticized and accused of greenwashing (Fashion United 2019), more so than Inditex and LPP. As discovered by Delmas and Burbano in 2011, greenwashing claims have been noticed to have severe negative implications on the brand. It can be assumed that the larger focus on H&M Group's marketing efforts and their resulted greenwashing claims are due to open CSR communication, which is not conducted by Inditex or LPP, as supported by the suggestions of Fashion United (2019), and not necessarily due to H&M Group's lower focus on CSR.

## 4 Research Methodology

Primary research is conducted through a quantitative questionnaire approach in this thesis. The online questionnaire used allows fast and affordable distribution and ease of responding to it. The next sub-chapters cover the quantitative research approach used in the primary research, quantitative data collection including the questionnaire and the sample, quantitative data analysis, and finally the last sub-chapter covers the reliability and validity of the research.

### 4.1 Quantitative Research

This thesis utilizes quantitative approach to data collection due to its ability to collect data from a large sample size (Sukamolsen 2007). With an extensive data collection from the target sample, quantitative data collection can result in generalizations of the studied population (Sukamolsen 2007). Furthermore, with a high number of respondents, the surrounding environment of the thesis researcher will have less of an effect on the results of the research compared to the qualitative approach.

To ensure the representation of the studied population, consumers and investors, an online questionnaire will be used. Questionnaires allow the collection of descriptive and explanatory data about the target group's reactions, perceptions and consumption habits that are crucial to gather knowledge about the reactions of stakeholders in the fast fashion CSR communication context (Saunders, Thornhill & Lewis 2019; Sukamolsen 2007).

In addition to the primary research being quantitative, it is also exploratory. Exploratory research is a type of research, which aims to gather new insights and to improve the understanding of the studied topic (Kotler and Armstrong 2006). Even though open-ended questions are common for exploratory research, the questionnaire used for this thesis consists mainly of closed-ended questions.

Exploratory research is conducted in this thesis, because it allows a more extensive take on the primary research compared to hypothesis-based research. Whereas hypotheses are limited to the literature collected and reviewed, exploratory research enables the investigation of potentially unclear research problems (Kotler and Armstrong 2006). Moreover, as investor

reactions towards sustainable fast fashion communication have not been extensively studied in the past, exploratory research presents a good foundation for this study. The survey and questionnaire are covered more in-depth in chapter 4.2.2.

## 4.2 Quantitative Data Collection

The data was collected through a quantitative method. The choice of data collection was a questionnaire to ensure a large representation of the studied population: fast fashion consumers and investors living in Finland. The data collection is presented below in sub-chapters 4.2.1, 4.2.2 and 4.2.3.

### 4.2.1 Data Collection

To maximise the number of responses, the survey was designed to be easy to answer, access and distribute. The survey was tested to take between 3:30 and 4:00 minutes to answer prior to publishing. Consequently, the survey took on average 7:10 minutes for the respondents to answer. The response rate of the survey was 16%. This means that the number of individuals the survey was sent to was 600 and those who finished it was 95.

The survey was distributed online due to low cost and ease of sharing. More precisely, the survey was distributed through word-of-mouth, e-mail, and social media. The method of distribution was designed to reach as many individuals as possible with different backgrounds to get a realistic representation of the studied population.

The sampling method used in the data collection consisted of three different approaches: convenience, purposeful and snowballing sampling. Convenience sampling was used for general data collection for the questionnaire, where respondents were included in the survey whenever they were willing or available to take part (Koerber & McMichael 2010). This part may present bias regarding more sustainability-oriented individuals being willing to take part in the survey. The convenience sampling method was expected to generate results mainly for the consumer perspective. Purposeful sampling, on the other hand, was used to get data for the investor part of the survey. In the purposeful sampling the respondents were chosen based on their investing orientation (Koerber & McMichael 2010), i.e., the respondents' required

characteristics to fulfill the prerequisite of investing. Moreover, to increase the number of investor respondents, the snowballing sampling method was used, too. This means that the individuals chosen for the purposeful sample were asked to further distribute the questionnaire to other investor-oriented individuals (Koerber & McMichael 2010).

The sample for the research was individuals living in Finland who consume fast fashion goods and/or invest into the stock market. Therefore, the whole of Finland geographically and demographically can be seen as a target population to get insightful knowledge about the studied topic. The sampling is covered more in-depth in chapter 4.2.2. Furthermore, the questionnaire was created in English to include all individuals in Finland regardless of their Finnish speaking skills.

#### 4.2.2 Sample

The studied population of this thesis consist of fast fashion consumers and investors living in Finland. However, to qualify the consumer respondents, they had to have consumed at fast fashion companies, because these aspects are the focus of this research. To ensure an extensive take and understanding of the studied market, no limitations were made regarding the fast fashion brands the respondents had consumed before. The inclusion of more than just a few fast fashion companies in the questionnaire enabled a more extensive take on the industry as a whole.

The analysis of the case companies, in chapter 3, enabled the understanding of the fast fashion industry communication when reflected to theory related to it. The understanding of the CSR communication of the major fast fashion companies in Finland enabled the generation of appropriate questions for the survey, and to cover different perspectives when it comes to CSR communication within the fast fashion context. The fast fashion brands explicitly mentioned in the questionnaire were brands of Inditex, H&M Group, LPP due to their assumed popularity. This ensured coherency between the literature covered in the thesis and the questionnaire.

Regarding the investor respondents, the only qualification was to have invested into the stock market in the past. Even though the context of this thesis is fast fashion, ownership of fast fashion companies' shares was not required. This was done due to the expected low rate of investors with shares of these companies in Finland and the difficulty to target these investors

specifically. However, the investor background was expected to ensure the respondents had an investor mindset. Further questions about the respondents' investing were posed through their approach to investing as in whether it is a hobby, side income stream or a full-time job, and whether they own fast fashion company shares. This data provided the analysis with more in-depth insight into what kinds of investors responded to the survey.

Even though the studied population was consumers and investors living in Finland, it is expected that the respondents will mainly consist of individuals with interest in sustainability. This assumption is made due to the external interest the respondents are likely to have to be willing to take time and respond to the survey.

#### 4.2.3 Questionnaire

The questionnaire consisted mainly of closed-ended questions even though it is not common for exploratory studies. Closed-ended questions were used due to their ease of answering them in a short timeframe, and therefore to ensure a high number of responses. Moreover, to guarantee a large sample size, the questionnaire was distributed online, which ensures an extensive reach in a short timeframe. (McBurney & White 2007)

The questionnaire consisted of four parts: cover letter, background information, consumer perspective, and investor perspective. The aim of the cover letter was to motivate the respondents to answer the survey and provide basic information about the use of the results gathered from the questionnaire.

The questions included in the questionnaire were based on the research gaps identified in the literature review covered in chapter 2. Most of the questions were created by the thesis author based on existing literature, but two questions regarding consumer and investor skepticism and egoistic-driven motives of fast fashion companies were modified from the existing measurement models created by Skarmeas and Leonidou (2013). The existing models were used to ensure effective use of already existing and pre-tested questions when studying the target group and their reactions towards fast fashion CSR communication.

The question section of the survey started off with background information of the respondents through six nominal questions and ratio scales. These six questions included gender, age, income level, level of education, nationality and whether they lived in Finland. The country of residence was recognized to be important as the target population was set to live in Finland.

The third part of the questionnaire covered the consumer perspective of the study through nine questions. The questions explored the motives for fast fashion consumption, the meaning of sustainability for the consumer respondents, the links between sustainability and fast fashion companies, source of information of fast fashion companies' sustainability, whether the respondents experienced skepticism towards the CSR communication of fast fashion companies and how they viewed the motives of fast fashion companies' CSR communication.

Six out of nine questions in the consumer perspective section were interval questions using Likert scales to study the target population. These interval questions covered the perception of sustainability, links between sustainability and fast fashion companies through perception and consumption, skepticism towards sustainable fast fashion communication, and motives of CSR communication. Interval questions were used to determine the subjective importance and strength of linkage between the studied variables rather than asking yes-no questions. The scale from 1 to 7 was, therefore, expected to provide more insight and value to the research.

The fourth part of the questionnaire covered the investor perspective through 11 questions. These questions examined the perception of sustainability, the impact of sustainability when investing, the source of sustainability information about fast fashion companies, skepticism experienced by investors towards fast fashion CSR communication, and the perception of fast fashion companies' motives to communicate about their CSR.

Similarly to the consumer perspective questions, the investor-directed questions included mainly closed-ended questions out of which six were interval questions that had a scale ranging from 1 to 7. The Likert scale was used when examining the different sustainability variables meaningful for investors, the importance of the different sustainability variables when investing, determining the level of skepticism of investors towards fast fashion CSR communication, and when examining the perception of investors for fast fashion companies' motives to promote their sustainability.

The survey is presented in Appendix 2. It presents the questions and shows the view the respondents had when answering the questionnaire.

### 4.3 Data Analysis

Quantitative data gathered through the questionnaire covered in chapter 4.2 was analyzed on the statistical program, SPSS. The majority of the questions' answers automatically presented the insight from respondents due to the use of interval questions, but further coding was conducted to manually generate response categories for the following questions: age, skepticism and CSR communication motives. This was done to generate a comprehensive understanding of the questions asked. The analysis phase included the discovery of descriptive statistics, and correlation and regression analysis.

The descriptive and frequency data was generated on the SPSS statistical program by studying the data received from the questionnaire's responses. This enabled the discovery of distribution of responses, means and standard deviations. Correlation analyses, on the other hand, provided more in-depth understanding of the gathered data through presenting statistically significant correlations between two variables. The consumer perspective's statistically significant correlation results are presented in Appendix 3 and investor perspective's statistically significant correlation results are presented in Appendix 4.

The regression analyses were conducted to find directional insight between chosen dependent and independent variables. This enabled a more in-depth understanding of chosen statistically significant correlation findings. The regression analysis, however, was conducted only for the correlation findings, which were seen to generate more value for the main research question and the three sub research questions. The results from the analysis are presented in chapter 5.

### 4.4 Reliability and Validity

Reliability and validity are used when evaluating the quality of the research methodology and analysis of the results. These factors are crucial to examine, because errors in reliability and

validity can result in invalid conclusions. Therefore, they are used to examine the quality of the research.

#### 4.4.1 Reliability

Reliability is the measure used to determine the consistency of the findings of the research. Moreover, repeatability, accuracy and credibility of the data collection and analysis are important when determining the reliability of the research conducted. (Saunders, Lewis & Thornhill 2019) In practical terms, this refers to whether the study would yield the same results if it was conducted by another person at a different time.

The choice of data collection being a questionnaire was chosen due to its ability of being a reliable way to collect results. Moreover, most of the questions in the questionnaire were closed-ended, which leaves only little room for respondent bias and differences in interpretation. The only questions with open-ended answers included age, nationality, and additional feedback and comments at the end of the questionnaire.

Moreover, the reliability of the questionnaire was maximized through the placement of the questions: sustainability focused questions were presented only after the consensus of the respondent had been asked about fast fashion consumption and investing perceptions. However, reliability to the same extent may have been compromised with the respondents who answered for both consumer and investor perspectives, which enabled them to familiarize themselves to the sustainability topic by the time they responded to the investor-oriented questions.

The questions were designed to be as simple and neutral as possible without leading the respondent towards the theory examined in chapter 2, which was studied prior to generating the primary research methodology. Finally, pretesting was conducted prior to the survey being sent out to minimize any bias or confusion with the questions.

The questionnaire was created on one of the leading questionnaire creation platforms, Qualtrics, which made the questionnaire data collection reliable. The platform is known to have a good reputation and high-quality data collection measures. Later, in the analysis phase, the

gathered data was analyzed on a reputable software, SPSS, to ensure a thorough understanding of the collected information. Reliability of measurement models was also evaluated in the analysis phase with Cronbach's Alpha, which is covered as a part of the analysis reporting in chapter 5.

#### 4.4.2 Validity

Validity examines whether the features of the studied phenomenon are present in the study, and whether the study accurately studies what it was supposed to (Malhotra & Birks 2007; Saunders, Thornhill & Lewis 2019). Therefore, validity often examines whether the research focus stays on the topic throughout the research.

To minimize the risk of invalidity, the literature review covered in chapter 2 consisted of multiple sources, which were evaluated and reflected against one another. Moreover, the majority of sources used in chapter 2 are peer reviewed from reputable academic journals. This enabled the creation of a solid foundation of the existing literature. Furthermore, to ensure existing linkages between the theory and the case companies of this thesis, the theory was reflected to the CSR communication used by the three case companies. In addition to the existing information providing a theoretical foundation of existing knowledge, the literature review worked as the baseline for the survey's question creation.

The questions included in the survey were chosen to cover topics where information did not exist yet or was limited. Therefore, they presented the research gaps of the studied phenomenon in this thesis: the consumer and investor reactions towards fast fashion CSR communication. As a part of the analysis, the validity was measured from the skepticism and communication motivation questions. This was done to ensure the questions truly studied the topics they were meant to. Moreover, validity of measurement models was evaluated through factor analyses, which is covered as a part of the reporting in chapter 5.

Even though the questions were carefully crafted based on theory about CSR communication, and investor and consumer reactions towards fast fashion companies' CSR communication and sustainability, respondent error and bias are possible to have taken place. However, the impact of such threats become less significant when the sample size increases. In the case of this thesis,

the sample size consisted of 95 individuals, and more precisely for the consumer perspective the sample size consisted of 68 individuals, and for the investor perspective the sample size consisted of 58 individuals.

## 5 Results

This chapter covers the results collected from primary research presented in chapter 4. The data is presented through descriptive statistics, correlation and regression analysis. However, only statistically significant correlation is presented due to the high number of total variables. Therefore, presenting all variables would not have been feasible. Moreover, only statistically significant correlation results are covered in this chapter, which help to answer the research question and the three sub research questions. This is done to ease the readability of this chapter. However, all statistically significant correlation results for the consumer perspective are presented in Appendix 3 and for investor perspective in Appendix 4.

The first sub-chapter covers the respondents' profiles followed by three sub-chapters, which all focus on individual sub research questions. This enables answer generation to the research questions based on collected primary data, which will be reflected to theory in chapter 6.

### 5.1 Respondent Profiles

Due to the large size of the target population of the study, the questionnaire was sent to many respondents. The total reached number of individuals was around 600. However, in total 106 people started answering the questionnaire out of which 95 finished it. In this chapter the demographic information of the respondents will be covered to better understand the background of the sample population.

The majority of the respondents were women. More precisely, 74% were women and 26% were men (n=92). Different age groups were represented in the sample, with a mean age being 38.02, minimum age 17 and maximum age being 75 (n=88).

The income levels of respondents varied within the sample, and all chosen income segments were represented. The distribution of income categories is presented in Figure 6. The most representation was amongst income categories ranging from 2 000-2 999€, 3 000-3 999€ and 4 000-4 999€. The varied distribution of income levels also reflects the wide representation of educational backgrounds presented in Figure 7. The most common highest levels of education amongst the respondents were master's level and bachelor's level.

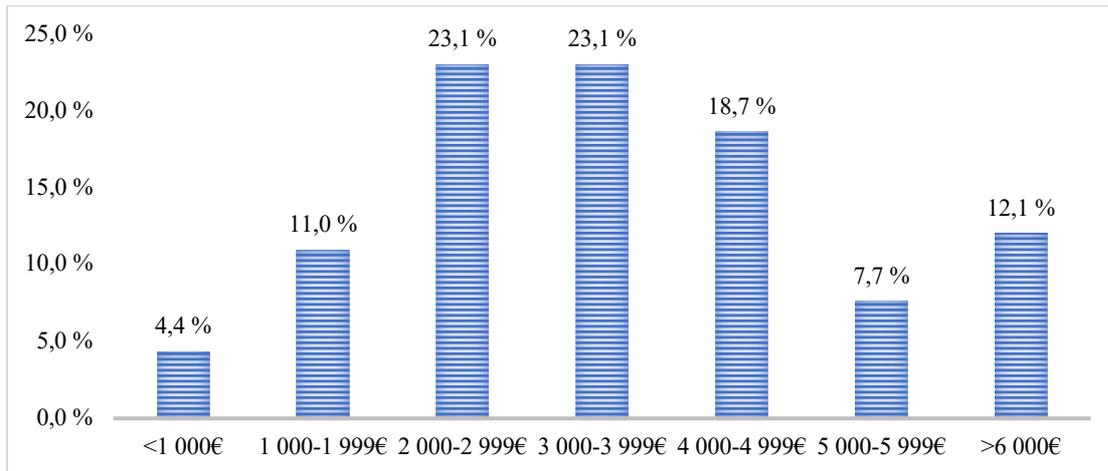


Figure 6. Income levels of respondents (n=91)

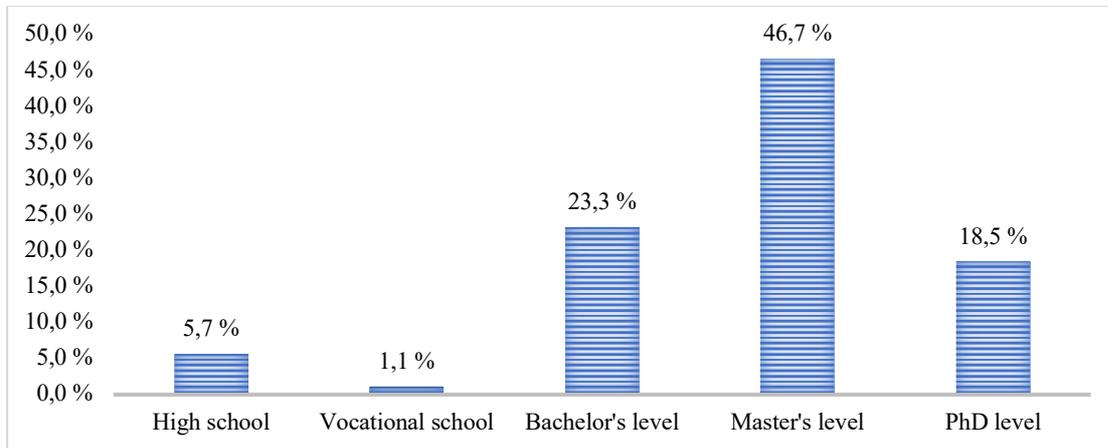


Figure 7. Educational background of respondents (n=92)

Due to the scope of the thesis only studying the investor and consumer reactions to fast fashion CSR communication in Finland, the respondents were asked whether they lived in Finland. Out of the respondents 97.9% lived in Finland (n=95). Therefore, 2.1% were directed to the end of the survey because the criteria of living in Finland was not fulfilled. As a result, data was not gathered from these respondents.

### 5.1.1 Consumer Respondent Profiles

73.1% of the sample stated to shop at fast fashion companies (n=93). To ensure all respondents had the same perception of fast fashion, a brief introduction of the concept was provided. The

most common fast fashion companies the respondents shopped at included H&M, Zara, and & Other Stories. The distribution of the fast fashion company consumption representation is shown in Figure 8.

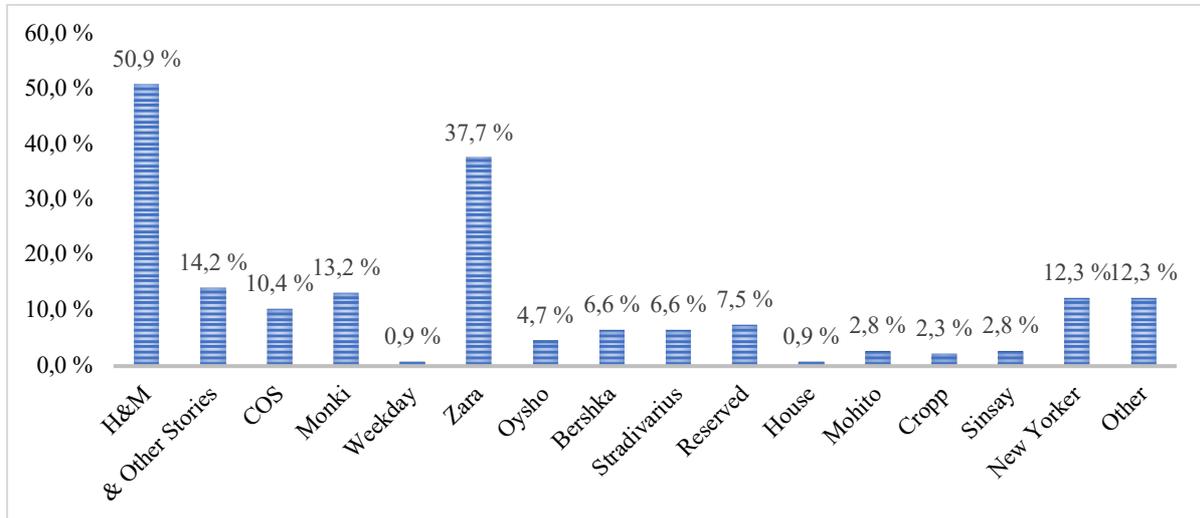


Figure 8. Fast fashion companies respondents shop at

To understand the consumption habits of the respondents better, the frequency of their fast fashion shopping was asked. The results are presented in Figure 9. The most common frequency was stated to be *a few times a year* and *it varies*. More precisely, the mean of the responses was 3.28, which places it between *a few times a year* and *it varies*, however, closer to *a few times a year*. The low frequency of consumption shows that the respondents do not follow the frequent trends, and more so shop at fast fashion companies when they want clothes disregarding trends.

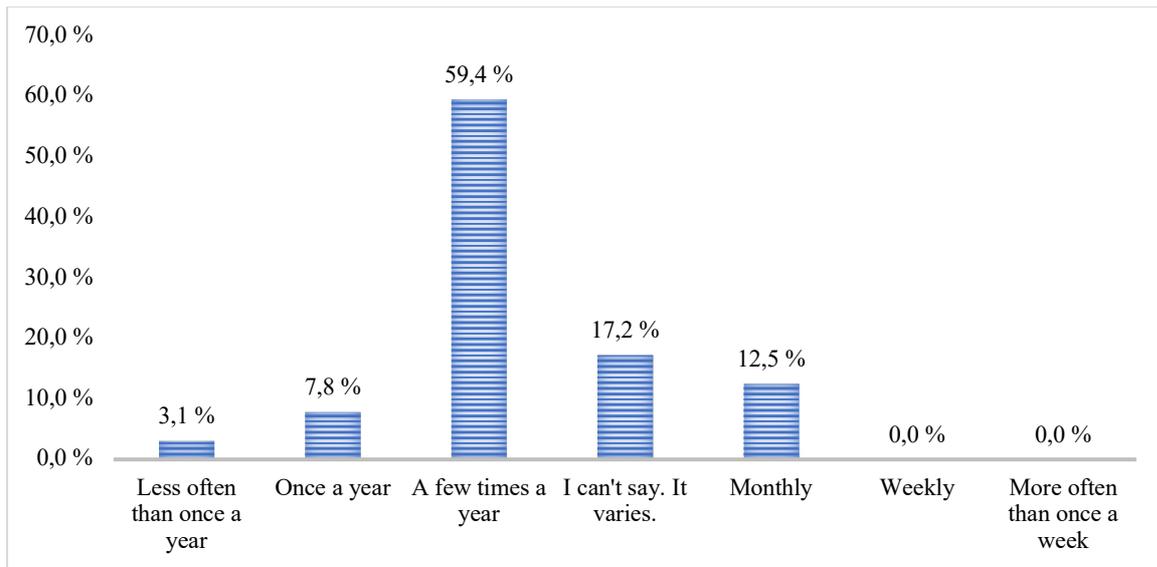


Figure 9. Frequency of shopping at fast fashion companies of respondents (n=64)

### 5.1.2 Investor Respondent Profiles

86 respondents responded to the questionnaire directed at investors. Of these 57% invest into the stock market. Out of the investor respondents 62% stated to invest as a hobby, 38% as a side income stream and 0% as a fulltime job (n=47). Furthermore, 4% out of the respondents own shares of fast fashion companies (n<sub>respondents to the question</sub>=49). The respondents with fast fashion company shares own shares of the H&M Group.

## 5.2 Fast Fashion Companies Sustainability Perception

To answer the sub-RQ1 *What is the understanding of fast fashion companies' sustainability for consumers and investors, and who looks up this information?*, the following variables and their relation to one another will be analyzed: importance of sustainability dimensions for consumers, perceived fit of sustainability of fast fashion and sustainability, skepticism and CSR communication motive index variables, and information sources of fast fashion companies' sustainability for consumers and investors. These variables are separated into their sub-chapters and in the final sub-chapter the summary of the findings is presented to answer the sub-RQ1.

### 5.2.1 Importance of Sustainability Dimensions for Consumers

Sustainability as a concept is extensive and may have differences in its subjective interpretation. Due to this reason, the respondents were asked to score the importance of certain sustainability dimensions for them. This enabled the generation of understanding how sustainability is perceived by the target sample.

The means of the sustainability dimensions based on the respondents' responses are provided in Table 2. The dimensions with the highest means, and therefore the highest importance as a sustainability dimension for the consumer respondents, were environmental sustainability, social sustainability and taking responsibility for own actions.

Table 2. Importance of the sustainability dimensions for the respondents (n=61)

Sustainable dimensions	Mean	Standard deviation
My concern for environmental sustainability	5.31	1.07
My concern for social sustainability	5.18	1.16
My concern for economic sustainability	3.72	1.57
Taking responsibility for my actions	4.98	1.47
Other (n=8): donation campaign towards environment or human rights (n=1)	1.75	2.12

Note. The question was measured on a Likert scale anchored at 1 = No at all important and 7 = Extremely important

Statistically significant correlation was identified amongst *important sustainability dimensions* and *issues impacting to purchase fast fashion*. These results are presented further in Appendix 3. *High quality products* were linked to respondents' concern for *environmental sustainability* (moderate positive correlation ( $r = 0.285^*$ ,  $p = 0.028$ )), *economic sustainability* (moderate positive correlation ( $r = 0.312^*$ ,  $p = 0.016$ )), and *taking responsibility for own actions* (strong positive correlation ( $r = 0.374^{**}$ ,  $p = 0.003$ )). Furthermore, *taking responsibility for own actions* was linked to *stylish clothing* (moderate positive correlation ( $r = 0.262^*$ ,  $p = 0.045$ )). Therefore, high quality products were seen as the sustainable way of fast fashion consumption.

*Taking responsibility for own actions* was also identified to have statistically significant correlation between different sustainability dimensions by the respondents: *concern for environmental* (strong positive correlation ( $r = 0.586^{**}$ ,  $p < 0.001$ )), *social* (strong positive correlation ( $r = 0.705^{**}$ ,  $p < 0.001$ )), and *economic sustainability* (strong positive correlation ( $r = 0.340^{**}$ ,  $p = 0.008$ )) impacting the respondents' decision to consume at fast fashion

companies. Respondents *concern for economic sustainability* had strong positive correlation with the *company caring for the environment* ( $r = 0.495^{**}$ ,  $p < 0.001$ ). Moreover, *taking responsibility for own actions* had strong positive correlation with the *company's care for its employees* ( $r = 0.456^{**}$ ,  $p < 0.001$ ) and the *company's care for environmental sustainability* ( $r = 0.570^{**}$ ,  $p < 0.001$ ). These statistically significant correlation results are presented in Appendix 3.

### 5.2.2 Fit of Sustainability of Fast Fashion and Sustainability

In order to understand the linkage consumers and investors saw between sustainability and fast fashion companies, they were asked to rank it on a Likert scale from 1 (sustainability and fast fashion go together extremely poorly) to 7 (sustainability and fast fashion go together extremely well). In general the consumer respondents found the fit to be rather poor ( $M = 2.79$ ,  $SD = 1.07$ ,  $n = 62$ ), and the investor respondents saw the fit to not be good but close to neutral, and in general a slightly better fit than the consumers ( $M = 3.36$ ,  $SD = 1.78$ ,  $n = 14$ ).

The *fit of sustainability and fast fashion* was perceived positively by the consumer respondents who *consume at fast fashion companies rather frequently*, as positive correlation was identified between these variables ( $r = 0.314^*$ ,  $p = 0.013$ ). Moreover, the *fit of fast fashion and sustainability* had moderately positive correlation with *high quality products* ( $r = 0.304^*$ ,  $p = 0.017$ ), and *company's care for its employees* ( $r = 0.264^*$ ,  $p = 0.047$ ) to impact purchasing at fast fashion companies. This means that the fit was positively perceived by the consumer respondents who purchase high quality products, and those who see the company they engage with to care for its employees. The statistically significant consumer results are presented in Appendix 3.

To deepen the understanding of the perceived fit of sustainability and fast fashion, and variables impacting it, linear regression analysis was conducted. The linear regression analysis enables the understanding of the relationship between the independent and dependent variables, which had been recognized to be statistically significant in the correlation analysis. In this case the dependent variable is the fit of fast fashion and sustainability, and the independent variables are the frequency the consumer respondents shop at fast fashion companies, and high-quality

products and trendy clothing impacting the consumers' decision to shop at fast fashion companies.

The model as a whole was found to be statistically significant ( $R^2 = .190$ ,  $SS = 11.944$ ,  $F = 4.219$ ,  $p = .009$ ). The results are statistically significant when  $p < 0.05$  (Shrestha 2020). The R Square is the variable, which shows much of the phenomenon is accounted for by the predictors. The independent variables explain 19% of variation in the perceived fit of fast fashion and sustainability. These results are presented in Table 3.

The *b*-values explain the relationship between fit of fast fashion and sustainability, and each predictor. Whenever the value is positive, it reasons that there is a positive relationship between the independent and dependent variables. (Field 2009) In this study all the independent variables, consumption frequency, and extent high quality products and trendy clothing affecting decision to shop at fast fashion companies, got a positive coefficient, as presented in Table 3. Furthermore, moderate significance was identified in the independent variables fast fashion consumption frequency and extent high quality products affect decision to shop at fast fashion companies. This means that those consumers who frequently shop from fast fashion companies and purchase high quality products from fast fashion companies perceived the fit of sustainability and fast fashion as high.

The collinearity statistics describe whether the predictors pose a threat to the validity of the analysis. Tolerance needs to be  $> 0.2$ , and VIF cannot be  $> 10$  for the results to support the validity claim of the results (Shrestha 2020). Because all Tolerance and VIF results are according to the limitations, as shown in Table 3, they do not pose a serious threat to the validity.

Table 3. Regression analysis, dependent variable: fit of sustainability and fast fashion

#### Anova

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.436	.190	.145	.97138

#### Model Summary

	Sum of Squares	df	Mean Square	F	Sig
Regression	11.944	3	3.981	4.219	.009

Residual	50.953	54	.944		
Total	62.897	57			

### Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T-Value	Sig	Collinearity Statistics	
	B	Std. Error				Beta	Tolerance
(Constant)	.854	.608		1.405	.166		
Fast fashion consumption frequency	.263	.147	.222	1.790	<b>.079</b>	.979	1.022
Extent high quality products affects decision to shop at fast fashion companies	.167	.078	.268	2.143	<b>.037</b>	.957	1.045
Extent trendy clothes affects decision to shop at fast fashion companies	.108	.075	.182	1.439	.156	.938	1.066

### 5.2.3 Skepticism and CSR Communication Motives of Fast Fashion Companies

To determine the level of skepticism and motives of fast fashion CSR communication perceived by the consumer and investor respondents, they were asked four questions regarding the skepticism topic and three questions regarding the CSR communication motives. Due to the research-orientation of the questions, all questions studying the specific topic were designed to study the same phenomenon. However, to determine whether the questions were valid and reliable, they were further analyzed on SPSS.

When determining the validity of the questions, a factor analysis was conducted in SPSS using principal axis factoring and varimax rotation. Regarding the skepticism question, the item loadings of the factor analysis ranged, based on the consumer responses, from 0.669 to 0.907,

and from 0.681 to 0.917 based on the investor responses. The loading must be over 0.4 to determine the validity (Sürücü & Maslakci 2020). Furthermore, all items loaded on one factor. The initial eigenvalue total was 3.040 for the consumer responses, and 3.274 for the investor responses, which means the questions were valid for both stakeholders, because the total must be over one (Sürücü & Maslakci 2020). Finally, 76% of variance was detected in skepticism perceptions for consumers and 82% in skepticism perceptions for investors, which supports the validity of the question, as the variance should be more than 60% (Sürücü & Maslakci 2020).

The reliability of the question is determined through Cronbach's Alpha score, which is the case of the skepticism question for consumers is 0.892 and for investors 0.917, which makes the questions reliable as the minimum accepted score is 0.7 (Sürücü & Maslakci 2020).

The determination of validity and reliability of the CSR communication motives of fast fashion companies was conducted in the same way as for the levels of skepticism. The factor matrix loading ranged, based on consumer responses from 0.665 to 0.875, and from 0.539 to 0.893 based on investor responses. The total eigen value for consumer perspective was 2.142 and 2.049 for investor perspective. For consumers 71% of variance was detected, and for investors 68% of variance was detected in the CSR perceptions. Therefore, the questions were valid. Moreover, Cronbach's Alpha was 0.796 for consumers, and 0.762 for investors, making them reliable.

Because it was determined that the questions on skepticism and CSR communication motives were reliable and valid, skepticism and CSR communication motive indexes were created, which generated the mean and standard deviation for the topics. The results were finally calculated through measuring the means of all items included in the topics.

Both topics' questions for both stakeholder groups studied the respondent perception through a Likert scale ranging from 1 (totally disagree/high skepticism/intrinsic motives) to 7 (totally agree/low skepticism/extrinsic motives). The consumer and investors respondents moderately disagreed with the statements of fast fashion companies being sustainable organizations, which shows the rather high skepticism levels towards the CRS communication of the respondents (consumers:  $M = 3.22$ ,  $SD = 1.23$ ,  $n = 60$ ; investors:  $M = 3.23$ ,  $SD = 1.51$ ,  $n = 12$ ). Furthermore, both consumers and investors agreed that fast fashion companies are executing CSR

communication largely due to extrinsic reasons (consumers:  $M = 5.10$ ,  $SD = 1.03$ ,  $n = 59$ ; investors:  $M = 5.08$ ,  $SD = 1.10$ ,  $n = 12$ ).

The CSR Communication motive index variable studied whether the respondents saw the CSR communication to be the results of extrinsic motives. *High quality products* ( $r = 0.394^{**}$ ,  $p = 0.002$ ) and *influence of surrounding people* ( $r = 0.424^{**}$ ,  $p = 0.002$ ) were identified to increase the perception of *extrinsic CSR communication motives* of companies by the consumer respondents. This is reasoned as strong positive correlation was identified between these variables and are further presented in Appendix 3.

On the other hand, in regard to investor respondents, perceived intrinsic reasons for *CSR communication* of fast fashion companies were more common amongst the respondents who perceived *social sustainability of the company as important decision-making variable when investing into them* ( $r = -0.586^*$ ,  $p = 0.045$ ). This is reasoned as moderate negative correlation was identified between these variables. Furthermore, *extrinsic motives behind fast fashion CSR communication* were perceived by those with investing providing them a side income stream (*investing status*) as moderately positive correlation was identified ( $r = 0.654^*$ ,  $p = 0.021$ ). These statistically significant correlation results are presented in Appendix 4.

The skepticism index variable studied whether the respondents were skeptic towards the CSR communication of fast fashion companies. Further correlation analysis (results presented in Appendix 3) showed statistically significant links between low levels of skepticism and frequency of consumption of fast fashion, the company caring for its employees, perceived good fit of sustainability and fast fashion, and consumer respondents consuming fast fashion because of the company's sustainability. This is the result of identified strong positive correlation between the *skepticism index*, and *company's care for employees* ( $r = 0.347^{**}$ ,  $p = 0.009$ ), *fit of sustainability and fast fashion* ( $r = 0.639^{**}$ ,  $p < 0.001$ ), and *sustainability's impact when choosing to consume at fast fashion companies* ( $r = 0.595^{**}$ ,  $p < 0.001$ ), as well as moderate positive correlation between *skepticism* and *frequency of fast fashion consumption* ( $r = 0.290^*$ ,  $p = 0.025$ ).

To deepen the understanding of the level of skepticism consumers experience towards fast fashion CSR communication, and variables impacting it linear regression analysis was conducted. In this case the dependent variable is the level of skepticism, and the independent

variables are the frequency of fast fashion shopping, company's employee care impacting decision to shop there, fit of sustainability and fast fashion, and the state of the sustainability of fast fashion impacting decision to shop there.

The model as a whole was found to be statistically significant ( $R^2 = .431$ ,  $SS = 32.706$ ,  $F = 8.513$ ,  $p = .000$ ). The independent variables explain 43,1% of variation in the level of skepticism of the consumers. These results are presented in Table 4.

The *b*-values are positive, which means that there is a positive relationship between the independent and dependent variables. In Table 4 all the independent variables, fast fashion shopping frequency, company's employee care impacting decision to shop there, fit of sustainability and fast fashion, and whether the respondents shop at fast fashion because of its sustainability, got a positive coefficient. Furthermore, moderate statistical significance was identified in the independent variables fit of sustainability and fast fashion, and whether the respondents shop at fashion because of its sustainability. This means that those consumers who perceive the fit of fast fashion and sustainability to be good and who shop at fast fashion companies because of their sustainability do not view fast fashion companies' CSR communication through skepticism. All Tolerance and VIF results are according to the limitations, therefore, they do not pose a serious threat to the validity.

Table 4. Regression analysis, dependent variable: consumer skepticism index variable

### Anova

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.656	.431	.380	.98002

### Model summary

	Sum of Squares	df	Mean Square	F	Sig
Regression	32.706	4	8.177	8.513	.000
Residual	43.220	45	.960		
Total	75.926	49			

### Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T-Value	Sig	Collinearity Statistics

	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.469	.629		.746	.460		
Fast fashion consumption frequency	.165	.170	.116	.972	.336	.885	1.130
Company's employee focus impacting decision to shop at fast fashion company	.131	.079	.194	1.661	.104	.927	1.079
Fit of sustainability and fast fashion	.384	.206	.310	1.861	<b>.069</b>	.456	2.191
Sustainability of company impacting decision to consume there	.253	.146	.272	1.730	<b>0.090</b>	.513	1.948

To further deepen the understanding of the perception of consumers and investors towards the CSR communication motives of fast fashion companies, and variables impacting it, linear regression analysis was conducted. In the case of consumers, the dependent variable is the level of CSR communication motives, and the independent variables are the extent high quality products and surrounding people's influence impacts decision to shop at fast fashion companies. In the case on investors, however, the dependent variable is the level of CSR communication motives, and the independent variable is company's social sustainability impacting decision to invest into it.

For the consumer perspective, the model as a whole was found to be statistically significant ( $R^2 = .252$ ,  $SS = 22.738$ ,  $F = 7.752$ ,  $p = .001$ ). The independent variables explain 25,2% of variation in the consumer perception of the CSR communication motives. These results are presented in Table 5. For the investor perspective, the model as a whole was found to be moderately statistically significant ( $R^2 = .343$ ,  $SS = 4.589$ ,  $F = 5.231$ ,  $p = .045$ ). The independent variables explain 34,3% of variation in the investor perception of the CSR communication motives. These results are presented in Table 6.

In Table 5 the *b*-values are positive, which means that there is a positive relationship between the independent and dependent variables. In Table 5 all the independent variables, extent high quality products and surrounding people's influence impacts decision to shop at fast fashion companies, got a positive coefficient. Moderate statistical significance was identified in both independent variables. This means that those consumers whose decision to shop at fast fashion companies is highly impacted by high quality products and surrounding people's influence see the CSR communication of fast fashion companies to be extrinsic. Moreover, both Tolerance and VIF results are according to the limitations, therefore, they do not pose a serious threat to the validity.

Table 5. Regression analysis, dependent variable: consumer CSR communication motives index variables

### Anova

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.502	.252	.220	.87009

### Model summary

	Sum of Squares	df	Mean Square	F	Sig
Regression	11.738	2	5.869	7.752	.001
Residual	34.825	46	.757		
Total	46.562	48			

### Coefficients

	Unstandardized Coefficients		Standardized Coefficients Beta	T-Value	Sig	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
(Constant)	3.928	.334		11.748	.000		
Extent high quality products affects decision to shop at fast fashion companies	.167	.079	.289	2.112	<b>.040</b>	.867	1.153
Extent of surrounding people's influence's	.209	.090	.319	2.327	<b>.024</b>	.867	1.153

affects decision to shop at fast fashion companies							
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In Table 6, however, the *b*-value is negative, which means that there is a negative relationship between the independent and dependent variables (Field 2009). The independent variable, company’s social sustainability impacting decision to invest into it, got a negative coefficient, and moderate statistical significance was identified in the independent variables. This means that the investors who see company’s social sustainability important when deciding to invest into a company perceive the CSR communication motives of fast fashion companies to be intrinsic. As presented in Table 6, the validity results under Tolerance and VIF are not according to the limitation, which result in them posing a threat to the validity of the data.

Table 6. Regression analysis, dependent variable: investor CSR communication motives index variables

**Anova**

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.586	.343	.278	.93669

**Model summary**

	Sum of Squares	df	Mean Square	F	Sig
Regression	4.589	1	4.589	5.231	.045
Residual	8.772	10	.877		
Total	13.361	11			

**Coefficients**

	Unstandardized Coefficients	Std. Error	Standardized Coefficients	T-Value	Sig	Collinearity Statistics	
	B		Beta			Tolerance	VIF
(Constant)	11.282	2.724		4.142	.002		
Company’s social sustainability’s impact when deciding to invest into it	-.966	.422	-.586	-2.287	.045	1.000	1.000

#### 5.2.4 Information Sources of Fast Fashion Companies' Sustainability

The sources of information regarding fast fashion companies' sustainability were discovered from the consumer respondents and are presented in Figure 10. The most common sources of information were discovered to be company website, news/media and social media marketing. Slightly less than 5% of the respondents had never been exposed to sustainability information of fast fashion companies.

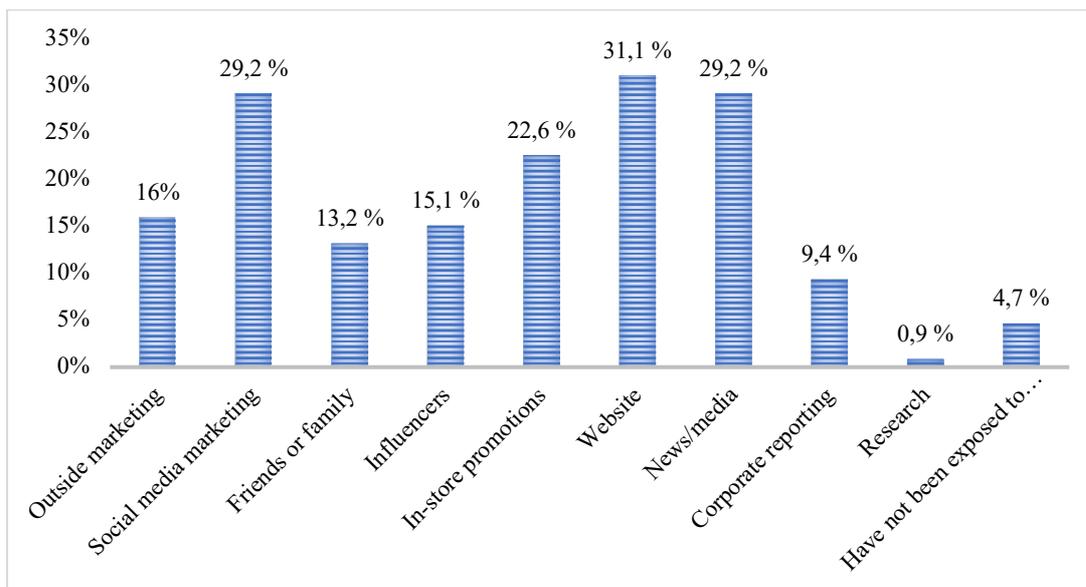


Figure 10. Information sources of sustainability of fast fashion companies

On the other hand, the information sources for investors regarding fast fashion companies' sustainability are presented in Figure 11. The most common sources of information for investors without fast fashion company shares were discovered to be news/media corporate reporting and website. Slightly less than 3% of the respondents without fast fashion company shares had never been exposed to sustainability information of fast fashion companies. The investors with fast fashion company shares had a different take on the information sources. The information sources they stated to have for sustainability information of fast fashion companies included outside marketing, friends or family, influencer, corporate reporting and news/media. However, it should be mentioned that due to the low number of respondents with shares of fast fashion companies, the data regarding them cannot be deemed fully reliable.

The respondents who selected other, clarified their sources of information. These included the Good on You-website, research papers, public discussion and activists' websites, and ESG analyses from credible sources.

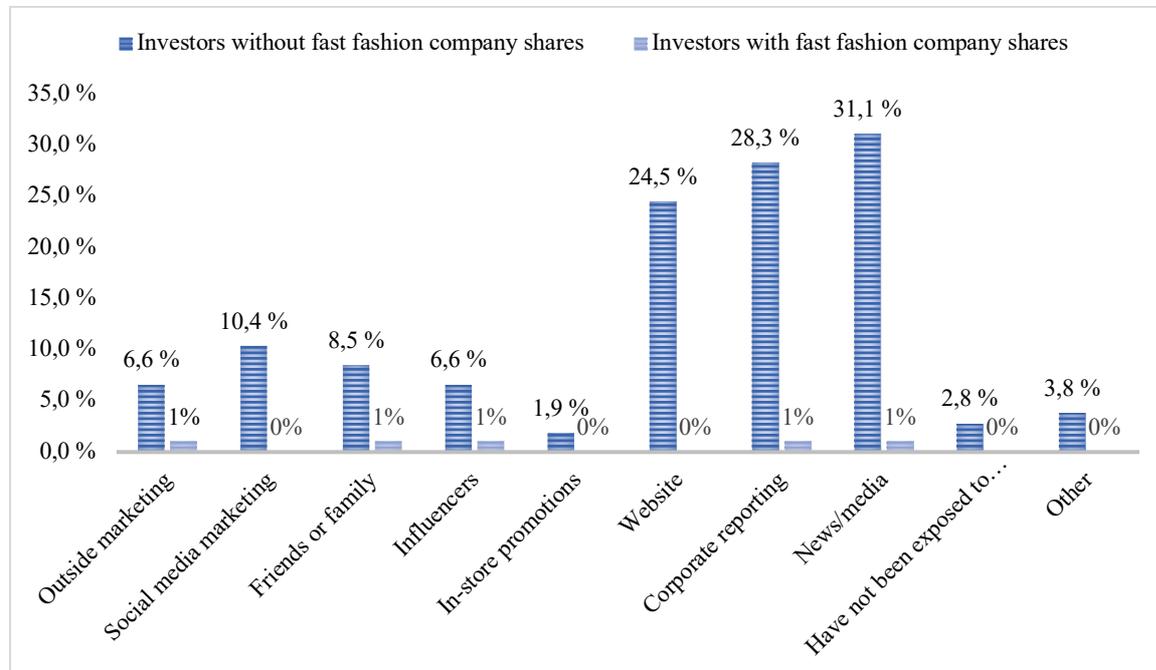


Figure 11. Information sources of sustainability of fast fashion companies based on investor responses

### 5.2.5 Summarizing Stakeholders' Understanding of Fast Fashion Companies' Sustainability

First, it would seem that both consumer and investor respondents are environmentally aware and actively look up information about fast fashion companies' sustainability. The main information sources for both stakeholder groups were identified to be company website and news/media. Furthermore, the sustainability orientation of the respondents resulted in them not seeing sustainability and fast fashion to go together. However, for instance purchasing high quality items was found to be seen as a sustainable way to consume fast fashion, and the fit of sustainability and fast fashion was perceived to be good amongst those consumers who shop at fast fashion companies regularly and who purchase high quality items.

Second, the results show that consumers and investors view the sustainability of fast fashion companies through high levels of skepticism, and the CSR communication motives are seen to be extrinsic rather than intrinsic. However, the consumers who perceive the fit of fast fashion

and sustainability to be good and who shop at fast fashion frequently do not view the sustainability of fast fashion companies through high levels skepticism. On the other hand, investors' extrinsic reasoning of fast fashion companies' CSR communication motives was perceived by those investors who had investing as their side income stream rather than a hobby.

Third, it can be recognized that consumers' perception of extrinsic communication motives was enhanced by the purchasing of high-quality items and the influence of surrounding people. On the other hand, investors' perception of intrinsic CSR communication motives was enhanced by the importance of company's social sustainability when deciding to invest into it. Moreover, investors who perceive a company's social sustainability to be important when deciding to invest into the company see the CSR communication motives to be intrinsic.

Therefore, it can be stated that consumers' understanding of fast fashion companies' sustainability is largely stemming from outside influence rather than intrinsic reasoning. Similar findings cannot be found for investors, but their understanding of fast fashion companies' sustainability seems to be mainly based on their intrinsic sustainability's importance.

### 5.3 The Role of Sustainability when Engaging with Fast Fashion Companies

In order to answer the sub-RQ2 *What is the role of sustainability when choosing to shop at/invest in a fast fashion company?*, the following variables and their relation to another will be analyzed: issues impacting consumers' decision to shop at fast fashion companies and investors' importance of sustainability dimensions when deciding to invest into a fast fashion company, and the state of sustainability of a fast fashion company when consumers and investors engage with a fast fashion company. These variables are separated into their sub-chapters and in the final sub-chapter the summary of the findings is presented to answer the sub-RQ2.

#### 5.3.1 Issues Impacting Decision to Engage with Fast Fashion Companies

Generating an understanding of the consumer and investor reactions towards fast fashion CSR communication is crucial to be able to answer the research questions. To understand the perception consumers and investors have about fast fashion, and their decision-making process when consuming at or investing in these companies, they were asked to score the issues based on their effect, presented in Table 7, when deciding to shop there, and the dimensions based on their importance, presented in Table 8, when deciding to invest into them.

Table 7. Effect of following issues on decision to shop at fast fashion companies

Issues	Mean	Standard deviation
Affordable prices	5.52	1.35
High quality products	4.05	1.70
Trendy clothing	4.18	1.77
Stylish clothing	5.23	1.60
Because of people around me	2.38	1.60
The company cares for the environment	3.74	1.70
The company cares for its employees	3.56	1.81

Note. The question was measured on a Likert scale anchored at 1 = Issue does not affect decision and 7 = Issue highly affects decision

As presented in Table 7, the issues with the highest mean, and therefore highest impact on decision, are affordable prices, stylish clothing and trendy clothing. Table 8, on the other hand, presents the importance of sustainability dimensions for investors when they are deciding to invest into a company and shows the differences how the respondents who own shares of fast fashion companies to those who do not own shares of fast fashion companies ranked the sustainability dimensions.

The dimensions with the highest means for the investor respondents without fast fashion company shares were company's reaction to public demand for sustainability, social responsibility and sustainability aligning with the investors' values. On the other hand, the highest means for the respondents who own fast fashion company shares were company's reaction to public demand, sustainable investing aligning with respondents' value, and environmental sustainability. These results are presented in Table 8.

Table 8. Importance of sustainability dimensions when deciding to invest into a company

Variable	Mean (not fast fashion share owner) (n=45)	Standard deviation (not fast fashion share owner)	Score (fast fashion share owner) (n=1)

Company's environmental sustainability	5.4	1.37	4
Company's social sustainability	5.45	1.39	2
Company's reaction to public demand for sustainability	5.71	1.31	7
Sustainable investing aligns with my values	5.44	1.26	5
Other	2.00	1.41	4

Note. The question was measured on a Likert scale anchored at 1 = Dimension does not affect decision and 7 = Dimension highly affects decision

Product-related variables were identified to impact one another in a statistically significant manner, and the results are further presented in Appendix 3. *High quality of products* has strong negative correlation with *affordable price* ( $r = -0.397^{**}$ ,  $p = 0.001$ ), which means that affordable prices and high quality were not seen to be go together. However, *stylish clothing* as a variable to impact the decision to shop at fast fashion companies had strong positive correlation with *high quality products* ( $r = 0.439^{**}$ ,  $p < 0.001$ ). This means that stylish clothing was associated with high quality products.

The aspect of *affordable prices* was identified to have strong negative correlation with the perception of the *company caring for the environment* ( $r = -0.343^{**}$ ,  $p = 0.008$ ) and moderate negative correlation with the *company caring for its employees* ( $r = -0.369^{*}$ ,  $p = 0.004$ ). This means that affordable prices were seen to have a negative impact on the company caring for the environment and its employees. However, *stylish* (*environmental focus*:  $r = 0.379^{**}$ ,  $p = 0.003$ ; *employee focus*:  $r = 0.399^{**}$ ,  $p = 0.002$ ) and *high-quality clothing* (*environmental focus*:  $r = 0.539^{**}$ ,  $p < 0.001$ ; *employee focus*:  $r = 0.645^{**}$ ,  $p < 0.001$ ) were identified to have strong to strong positive correlation with the *company looking after the environment and their employees*. This means that the company was perceived to be more sustainable when it offered stylish and high-quality products. These statistically significant correlation results are presented in Appendix 3.

Further correlation analysis, results shown in Appendix 4, presented deeper insight into importance of sustainability dimensions when choosing to invest into a fast company. *Company's environmental sustainability* was found to have strong positive correlation with *sustainability of company having an impact on whether the investor invests into a company* ( $r$

= 0.728\*\*,  $p < 0.001$ ), and company's reaction to public demand of sustainability ( $r = 0.470$ \*\*,  $p = 0.001$ ). Company's social sustainability, on the other hand, had a link between sustainability influencing whether the investor invests into the company ( $r = 0.726$ \*\*,  $p < 0.001$ ), company's reaction to public demand of sustainability ( $r = 0.592$ \*\*,  $p < 0.001$ ), company's environmental sustainability ( $r = 0.847$ \*\*,  $p < 0.001$ ) and sustainability aligning with investor's sustainable values ( $r = 0.816$ \*\*,  $p < 0.001$ ) as strong positive correlation was identified among these variables.

*Sustainable investing aligning with the investors' values* had positive correlation with *sustainability influencing whether the investor invests into the company* (strong positive correlation ( $r = 0.666$ \*\*,  $p < 0.001$ )), *company's environmental sustainability* (strong positive correlation ( $r = 0.754$ \*\*,  $p < 0.001$ )), and *company's reaction to public demand of sustainability* (strong positive correlation ( $r = 0.516$ \*,  $p < 0.001$ )). These statistically significant correlation results are presented in Appendix 4.

To deepen the understanding of the impact of the sustainability of a company has on the decision to invest into it, and variables impacting it, linear regression analysis was conducted. In this case the dependent variable is the level of sustainability impacting investing decision, and the independent variables are company's environmental and social sustainability as variables impacting decision to invest into it, and sustainable investing aligning with own values.

The model as a whole was found to be statistically significant ( $R^2 = .626$ ,  $SS = 28.265$ ,  $F = 21.745$ ,  $p = .000$ ). The independent variables explain 62,6% of variation in the state of sustainability impacting decision to invest into it. These results are presented in Table 9.

The  $b$ -values are positive, which means that there is a positive relationship between the independent and dependent variables. In Table 9 all the independent variables, company's environmental and social sustainability as variables impacting decision to invest into it, and sustainable investing aligning with own values, got a positive coefficient. However, the values are not statistically significant, but the significance value of one independent variable, company's environmental sustainability impacting decision to invest into it, is rather close to being marginally significant ( $p = 0.11$ ). This means that the investors whose decision to invest into a company is highly impacted by the company's environmental sustainability see the state

of sustainability of the company important when investing into it. However, these results will not be taken into consideration in further data analysis.

Tolerance and VIF results are according to the limitations for the independent variables company's environmental sustainability's impact when deciding to invest into it and sustainable investing aligning with own values. However, the tolerance value for the independent variables company's social sustainability impacting to invest into the company does pose a threat to the validity. This is presented in Table 9.

Table 9. Regression analysis, dependent variable: state of company's sustainability impacting decision to invest into it

### Anova

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.791	.626	.597	.65824

### Model summary

	Sum of Squares	df	Mean Square	F	Sig
Regression	28.265	3	9.422	21.745	.000
Residual	16.898	39	.433		
Total	45.163	42			

### Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T-Value	Sig	Collinearity Statistics	
	B	Std. Error				Beta	Tolerance
(Constant)	1.707	.439		3.888	.000		
Company's environmental sustainability's impact when deciding to invest into it	.384	.143	.506	2.680	<b>0.11</b>	.269	3.717
Company's social sustainability's impact when deciding to invest into it	0.76	.163	.103	.466	.644	.196	5.096
Sustainable investing aligning with	.173	.127	.235	1.363	.181	.324	3.091

values impacts decision to invest into it							
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### 5.3.2 State of Fast Fashion Companies' Sustainability Impacting Decision to Engage with Them

The consumer respondents were asked whether they shop at fast fashion because of the sustainability of the company on a scale from 1 (definitely does not affect) to 7 (definitely affects). The respondents in general did not shop at fast fashion companies because of their sustainability (M = 2.71, SD = 1.42, n = 55).

On the other hand, to understand the role of sustainability for investors, they were asked whether the sustainability of a company impacts their decision to invest into it on a scale from 1 (do not want to invest in sustainable companies) to 7 (only want to invest in companies with a sustainability focus). It was found that investors in general cared about the company they invested in to have sustainability as a part of the business (M = 5.02, SD = 1.20, n = 45).

Further correlation analysis presented links between the respondents who consume fast fashion because of the company's sustainability, and these statistically significant results are presented in Appendix 3. *High quality products* ( $r = 0.316^*$ ,  $p = 0.020$ ) and the *influence of surrounding people* ( $r = 0.337^*$ ,  $p = 0.020$ ) had moderate positive correlation with the respondents *shopping at fast fashion companies because of its sustainability*. Therefore, the influence of other people and purchasing high quality products leads the respondents to experience sustainability of fast fashion companies to be the reason they consume there. Furthermore, *fit of fast fashion and sustainability* had strong positive correlation with the respondents *shopping at fast fashion companies because of its sustainability* ( $r = 0.756^{**}$ ,  $p < 0.001$ ). This reasons that the respondents who see perceive fast fashion and sustainability to go well together also consume there due to its sustainability.

To deepen the understanding of whether the respondents shop at fast fashion companies because of their sustainability, and variables impacting it linear regression analysis was conducted. In this case the dependent variable is the sustainability of company impacting decision to shop, and the independent variables are the high-quality products and surrounding

people’s influence impacting the respondents’ decision to shop at fast fashion companies and the fit of sustainability and fast fashion.

The model as a whole was found to be statistically significant ( $R^2 = .642$ ,  $SS = 66.410$ ,  $F = 425.730$ ,  $p = .000$ ). The independent variables explain 64,2% of variation in the state of fast fashion companies’ sustainability impacting decision to shop there. These results are presented in Table 10.

The *b*-values are positive, which means that there is a positive relationship between the independent and dependent variables. In Table 10 all the independent variables, extent high quality products and surrounding people’s influence affect decision to shop at fast fashion companies, and fit of sustainability and fast fashion, got a positive coefficient. Moderate statistical significance was identified in the independent variable extent surrounding people’s influence affects decision to shop at fast fashion companies, and statistical significance in the independent variable fit of sustainability and fast fashion. This means that those consumers whose decision to shop at fast fashion companies is highly impacted by surrounding people and who perceive the fit of sustainability and fast fashion to be good shop at fast fashion companies because of their sustainability. All Tolerance and VIF results are according to the limitations, therefore, they do not pose a serious threat to the validity.

*Table 10. Regression analysis, dependent variable: state of fast fashion companies' sustainability impacting decision to shop there*

**Anova**

Model	R	R Square	Adjusted Square	R	Std Error of the Estimate
1	.801	.642	.617		.92754

**Model summary**

	Sum of Squares	df	Mean Square	F	Sig
Regression	66.410	3	22.137	425.730	.000
Residual	36.994	43	.860		
Total	103.404	46			

**Coefficients**

	Unstandardized Coefficients		Standardized Coefficients	T-Value	Sig	Collinearity Statistics

	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-.845	.6463		-1.824	.075		
Extent high quality products affects decision to shop at fast fashion companies	.069	.087	.079	.790	.434	.828	1.208
Extent of surrounding people's influence's affects decision to shop at fast fashion companies	.216	.095	.223	2.287	<b>.027</b>	.872	1.147
Fit of sustainability and fast fashion	.974	.129	.712	7.542	<b>.000</b>	.934	1.070

### 5.3.3 Summarizing the Role of Sustainability for Stakeholders when Engaging with Fast Fashion Companies

First, it would seem that the most important issues impacting consumers to shop at fast fashion companies are affordable prices, and stylish and trendy clothing. On the other hand, the most important sustainability dimensions impacting investors' decision to invest into a company are company's reaction to public demand, social sustainability and sustainable investing aligning with their own values.

Second, it can be recognized that the affordable price point of products was seen to have a negative impact on the perceived sustainability of the fast fashion companies by consumers. On the other hand, stylish and high-quality clothing was noticed to enhance the perceived sustainability. Furthermore, fast fashion companies' social and environmental sustainability was noticed to enhance the willingness of investors to invest into them, company's social sustainability was important for those whose own values aligned with sustainable investing,

and environmental sustainability was seen important for those who prioritized company's reaction to public demand of sustainability.

Third, it can be stated that consumer respondents generally did not shop at fast fashion companies because of their sustainability, however, those consumers who state to shop at fast fashion companies because of their sustainability were impacted by surrounding people and perceived good fit of fast fashion and sustainability. On the other hand, investors cared about the sustainability orientation of fast fashion companies they invested in.

Therefore, it can be concluded that investors invest based on their sustainability approach, which aligns with their psychological reaction to sustainability, but the same pattern does not apply for consumers. Consumers were noticed to care about sustainability on a psychological level, but this does not translate into sustainable oriented purchase behavior.

#### 5.4 Stakeholders' Differences in Perception towards Fast Fashion Companies' Communicated Sustainability

In order to answer the sub-RQ3 *How do consumer and investor perceptions differ regarding fast fashion companies' communicated sustainability?*, the following variables and their relation to one another will be analyzed: the state of sustainability of a fast fashion company when stakeholders engage with a fast fashion company, perceived fit of sustainability and fast fashion, stakeholder skepticism and CSR communication motive index variables, and information sources of fast fashion companies' sustainability for consumers and investors. These variables are separated into their sub-chapters and in the final sub-chapter the summary of the findings is presented to answer the sub-RQ3.

##### 5.4.1 State of Sustainability Impacting Stakeholders' Decision to Engage with Fast Fashion Companies

To get a more of holistic picture of consumer and investor reactions towards fast fashion CSR communication, the results to certain questions are compared between the two stakeholder groups. However, only the results from similar questions asked from the respondent groups are compared to ensure valid comparisons.

The results from the question regarding sustainability's impact on whether the respondents shop at fast fashion companies or invest into companies were compared to determine the difference in consumers' and investors' perception of sustainability. As can be seen in Figure 12, consumers do not put emphasis on the sustainability of fast fashion companies they shop at, whereas investors perceive sustainability to have a major impact on whether they invest into a company or not.

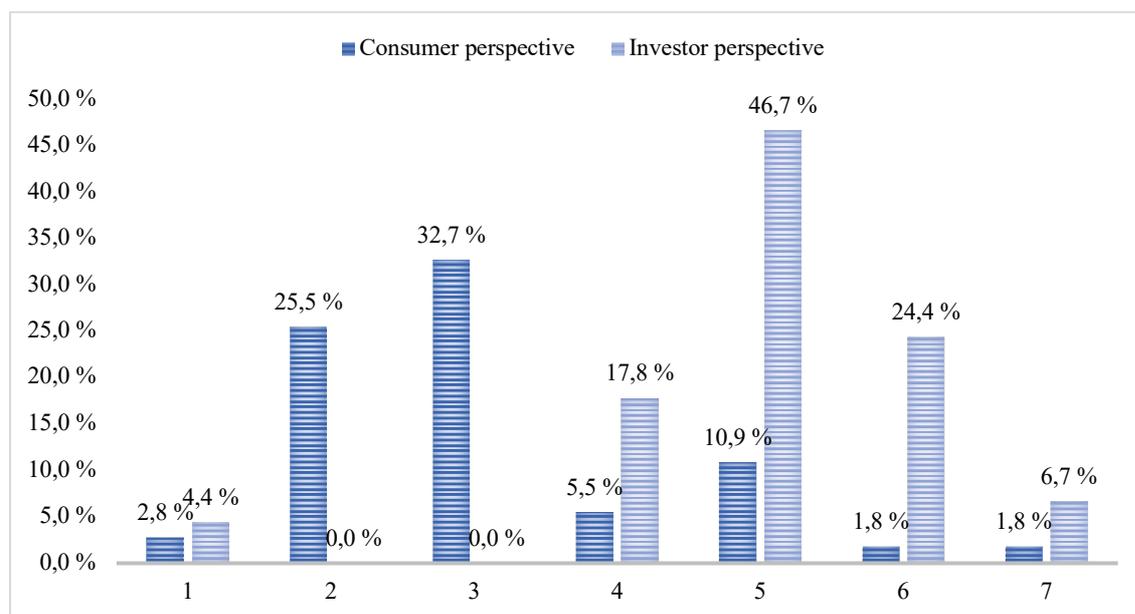


Figure 12. Do the respondents shop at/invest in companies because of their sustainability?

Note. The question was measured on a Likert scale anchored at 1 = Investors do not want to invest in sustainable companies/sustainability definitely does not affect consumers shopping and 7 = Investors only want to invest in companies with a sustainability focus/sustainability definitely affects decision to shop

#### 5.4.2 Perceived Fit of Sustainability and Fast Fashion for Stakeholders

The fit of sustainability and fast fashion companies were examined from both consumer and investor perspectives, as is presented in Figure 13. To understand the linkage respondents have with sustainability and fast fashion companies, they were asked to rank on a scale from 1 (fit is extremely poor) to 7 (fit is extremely good).

As can be seen in Figure 13, the consumer and investor respondents both perceive the fit of sustainability and fast fashion in a similar way. This means that both stakeholder groups

perceive sustainability and fast fashion to go together in general either moderately poorly or poorly.

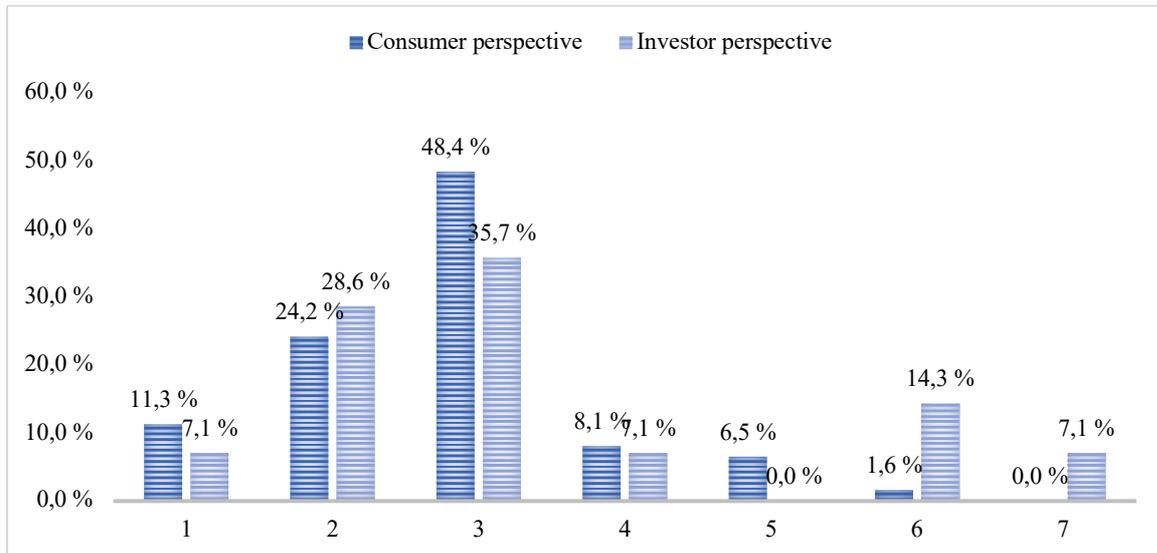


Figure 13. Fit of sustainability and fast fashion companies based on both stakeholder group's responses

### 5.4.3 Stakeholder Skepticism towards and CSR Communication Motives of Fast Fashion

The perceptions of skepticism and CRS communication motives based on consumer and investor respondents were gathered and compared in Table 11. As the table presents, the perception of both stakeholder groups follows the same pattern: both studied groups moderately disagree that fast fashion companies would be sustainable and ethical companies, and both stakeholder groups in general agree that the fast fashion CSR communication is the result of external factors rather than innate passion.

Even though the skepticism and CSR communication motive indexes studied two different topics, the results can be seen to be interconnected: because the communication motives are seen to be extrinsic, the communication is viewed through skepticism.

Table 11. Mean and standard deviation of combined variable indexes

	Consumer perspective		Investor perspective	
	Mean	Standard deviation	Mean	Standard deviation
Skepticism	3.22	1.23	3.23	1.51

CSR communication motivation	5.10	1.03	5.08	1.10
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#### 5.4.4 Information Sources of Fast Fashion Companies' Sustainability

It can be expected that the CSR communication, that a certain stakeholder group has been exposed to, impacts how they may perceive the CSR of fast fashion companies, and may even impact their reactions towards it. Therefore, the differences in information sources providing the consumers and investors with sustainability of fast fashion companies are compared with each other. Moreover, it is also studied whether the same ratio had not been exposed to sustainability information of fast fashion companies.

As is presented in Figure 14, the ratio of consumer and investor respondents who have not been exposed to sustainability information of fast fashion companies is rather similar. In addition to this, company website and news/media as sources of sustainability information were equally common for both consumers and investors. The main differences in sustainability information sources for consumers and investors were noticed regarding social media marketing, outside marketing, in-store promotions, influencers and corporate reporting.

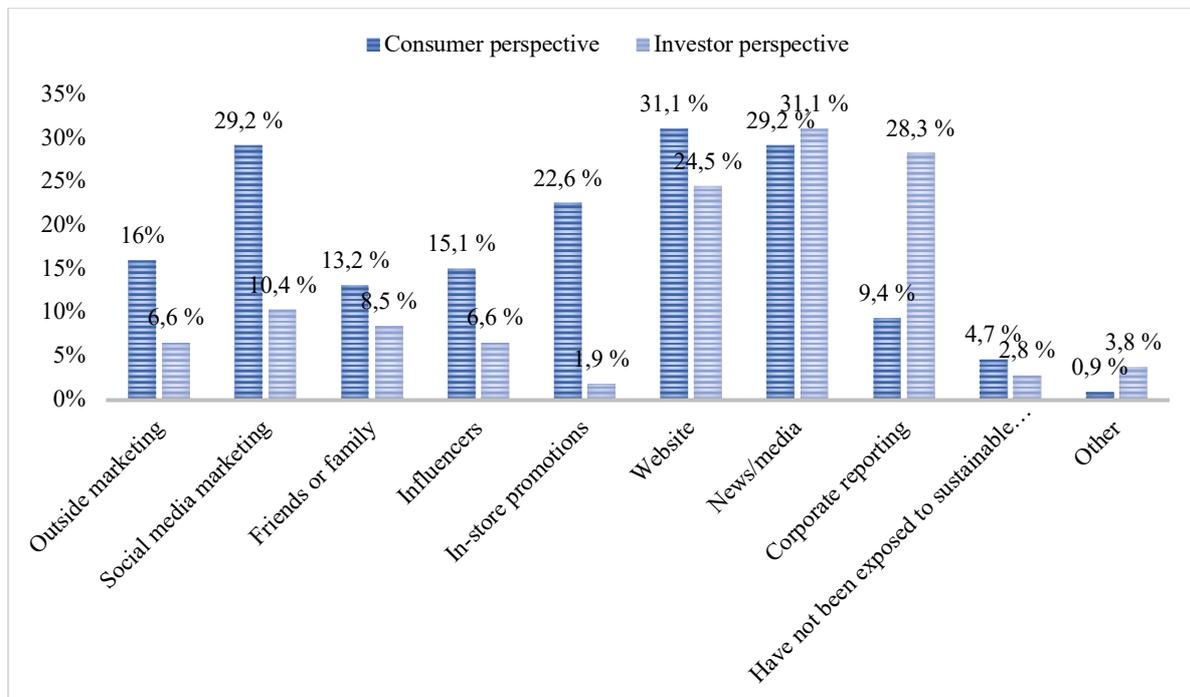


Figure 14. Information sources of sustainability of fast fashion companies based on both stakeholder group's responses

#### 5.4.5 Summarizing the Differences in Stakeholders towards Fast Fashion Companies' Communicated Sustainability

First, it would seem that there are differences in importance of sustainability for consumers and investors. Consumers do not shop at fast fashion because of the companies' sustainability, whereas investors see this aspect important. However, both stakeholder groups perceive the fit of fast fashion and sustainability to be rather poor.

Second, the results show that both consumers and investors are aware of CSR actions and communication of fast fashion companies, and actively look for this information. Furthermore, the sustainability of fast fashion companies is seen through skepticism and the CSR communication motives are seen extrinsic rather than intrinsic.

Therefore, it can be stated that the psychological reactions towards fast fashion CSR communication are similar between both stakeholder groups as they perceive the motives to be extrinsic, view the sustainability through skepticism and see the fit to be rather poor. However, the behavioral reactions vary between consumers and investors as consumers shop at fast fashion regardless of their perceived unsustainability, and investors, on the other hand, want to invest in fast fashion companies if they have sustainability orientation.

## 6 Discussion and Conclusion

This chapter brings together the main findings of this thesis, presents its theoretical contributions, managerial implications, limitations, and recommendations for further research.

### 6.1 Main Findings

The main findings of this thesis will be presented through answering the research question and three sub research questions presented in chapter 1. This enables this thesis to fill the research gaps identified at the beginning of the project.

RQ: How do consumers and investors react to CSR communication in the fast fashion context?

This thesis presents insight into the reactions of consumers and investors towards CSR communication of fast fashion companies. Both differences and similarities have been discovered in psychological and behavioral reactions towards the CSR communication strategy.

On a general level CSR communication in the studied context is perceived in a similar manner by both stakeholder groups. Consumers and investors are generally aware of the CSR actions done by and communicated about fast fashion companies. However, the information sources between the two studied groups vary from investors prioritizing more official communication sources, such as corporate reporting, compared to consumers who use social media to look for sustainability information about fast fashion companies. Even though the information sources vary, both stakeholder groups perceive the communicated CSR of fast fashion companies through skepticism and generally see the CSR communication motives extrinsic rather than intrinsic.

Sustainability is perceived as important for investors and consumers; however, it is not seen to be a good fit with fast fashion by either stakeholder group. The importance of sustainability on a psychological level had been presented in prior research, for instance by Grubor & Milovanov (2017), but the findings of this thesis build on the existing literature through sustainability's linkage to the perceived fit of fast fashion and sustainability.

The poor fit of sustainability and fast fashion reasons why consumers generally do not shop at fast fashion companies because of their sustainability, and investors tend to invest in companies with a sustainability orientation, which could be seen as a reason for low rates of investor respondents with fast fashion shares. Investors' sustainability orientation supports the findings of Flammer (2013) of investors having an interest in sustainability-oriented companies due to their expected higher return on investment. However, personal values of sustainability were also recognized to have an impact on the sustainability orientation of investors.

The poor fit of sustainability and fast fashion provides more insightful layers to understanding the consumer perception of fast fashion sustainability. Grubor and Milovanov in 2017 presented there to be high demand for green companies but a low number of green consumers. Therefore, the finding about consumers' perceived poor fit of sustainability and fast fashion can be seen on build on this literature as the consumers saw importance in sustainability but did not shop accordingly.

Regardless of consumers' perceived poor fit of sustainability and fast fashion as well as the decision to shop at fast fashion companies was generally not motivated by the sustainability of the companies, the consumer respondents valued sustainability as it was important for them. These insights are seen to have linkages to the findings of Ki-Hoon and Dongyong (2010) and Joy et al. (2012), who suggested CSR communication of fast fashion companies to relieve the guilt of consumers when shopping unsustainably and in a trend-oriented way rather than purely for sustainable reasons.

Furthermore, sustainability as a concept was studied from both stakeholder groups' perspectives to generate an understanding of their view of the definition. Both consumers and investors prioritized social sustainability and intrinsic reasoning when determining its importance for them. This aligns with prior results presented by Lundblad and Davies in 2015 about sustainability often being value-based and therefore more intrinsic than extrinsic. However, the importance of sustainability was noticed to be greater for investors than consumers, which was visible in its difference in influence on behavior.

Sustainability awareness and orientation is a common theme throughout the results. This is an important finding when reflected to existing theory, which presents ambiguous patterns within

consumer reactions towards fast fashion CSR communication (McDonald et al. 2012). However, investor reactions help fill a more extensive research gap, as existing research on fast fashion CSR communication of that stakeholder group's reactions have not been vastly studied. In the Finnish market investors and consumers are noticed to follow a similar psychological reactional pattern but dissimilar behavioral reaction towards CSR communication towards fast fashion companies. This means that psychological and behavioral reactions towards fast fashion CSR communication are in line with one another for investors but present differences in consumers.

Therefore, in general terms fast fashion companies' CSR communication is largely done to attract investors to purchase shares of the companies rather than motivating consumers to consume sustainably. However, targeting and influencing both stakeholder groups with sustainability information is seen to take place and an important goal of the communication strategy.

These findings are seen to showcase the interrelationship with the communication effects when targeted at consumers and investors. CSR communication towards consumers might relieve their guilt to follow continuous trends and provide rational reasoning to knowingly consume fast fashion even when its unsustainability is known by the consumers, as suggested by Ki-Hoon and Dongyong (2010), while providing more sustainability-oriented consumers with sustainably perceived goods such as high-quality stylish pieces. The phenomenon, as a result, increases sales, profit and therefore stock price. Meanwhile the CSR communication directed at investors aligns with the investor demand to invest into sustainable companies due to the higher return on investment they are expected to have. The higher return on investment can be seen to be linked to the increased consumption of consumers.

Sub-RQ1: What is the understanding of fast fashion companies' sustainability for consumers and investors, and who looks up this information?

Both consumer and investor respondents were found to be environmentally aware and to actively look up information about fast fashion companies' sustainability. This aligns with prior findings by Agudelo, Johannsdottir & Davidsdottir (2019) about the world becoming more environmentally and socially aware, which has resulted in increasing expectations towards companies to react to external pressure of becoming more sustainable. The main information

sources for both stakeholder groups were identified to be company website and news/media. As a result, the sustainability orientation of the respondents resulted in them seeing the fit of sustainability and fast fashion to be rather poor. Consumer perception of poor fit of sustainability and fast fashion builds on the findings by Dach and Allmendinger in 2014, as they found consumers to rarely link sustainability and the fast fashion brand H&M together.

News and media as information sources regarding sustainability for investors aligns with findings of Flammer (2013) about investors' information sources about companies' sustainability in general, but this was a new finding in the fast fashion context. Moreover, news and media being a source of sustainability information of fast fashion companies was a new discovery for consumers. In addition, investors were found to find sustainability information through corporate reporting, which aligns with the results presented by Espahbodi, et al. in 2019, and social media as a source for consumers, as suggested for efficient CSR communication between companies and consumers in prior research by Kesavan, Bernacchi and Mascarenhas in 2013 and Troise and Camilleri in 2021.

Consumers and investors were recognized to view the sustainability of fast fashion companies through high levels of skepticism, which aligns with prior research about stakeholders becoming increasingly skeptic towards green marketing of especially companies operating in unsustainable industries (Parguel, Benoit-Moreau & Larceneuz 2011). Moreover, the CSR communication motives were seen to be extrinsic rather than intrinsic. This could be reasoned due to the limited CSR communication conducted by fast fashion companies and its common exclusion from the brand, as covered in chapter 3. Moreover, because the sustainability is not integrated into the brand, it is often not seen to be genuine, as suggested by Yunjeong & Kyung in 2020.

Consumers' perception of extrinsic communication motives was enhanced by the purchasing of high-quality items and the influence of surrounding people. This finding builds on prior research about the influence of other people impacting the perception of fashion sustainability (Cavender & Lee 2018), and high-quality products representing the opposite of purchasing for self-fulfillment as presented by Zhang, Zhang & Zhou in 2021. On the other hand, investors' perception of intrinsic CSR communication motives was enhanced by the importance of company's social sustainability when deciding to invest into it.

It can be concluded that consumers' understanding of fast fashion companies' sustainability is largely stemming from outside influence rather than intrinsic reasoning. This finding aligns with the findings of Joy et al. in 2012 and Zhang, Zhang and Zhou in 2021 about the complexity of outside influence in decision making when it comes to clothing purchasing. Similar findings cannot be found for investors, but their understanding of fast fashion companies' sustainability seems to be mainly based on their intrinsic importance of sustainability. This aligns with the findings of Barnea, Cronqvist and Siegel in 2010 about the personal characteristics of investors impacting their investing decisions. However, in prior research the context has not been in fast fashion, which enables this result to build on prior research.

Sub-RQ2: What is the role of sustainability when choosing to shop at/invest in a fast fashion company?

The most important issues impacting consumers to shop at fast fashion companies are affordable prices, and stylish and trendy clothing, which aligns with the findings by Groza, Pronschinske and Walker in 2011, Ki-Hoon and Dongyong in 2010, and Stringer, Mortimer and Payne in 2020. Furthermore, this finding aligns with the article published by Yle in 2019 about Finnish consumers increasing their quantity of purchasing while spending less. On the other hand, the most important sustainability dimensions impacting investors' decision to invest into a company are company's reaction to public demand, social sustainability and sustainable investing aligning with their own values, which is in accordance with the suggestions presented by Barnea, Cronqvist and Siegel in 2010, and Murashima in 2020.

Affordable products were seen to have a negative impact on the perceived sustainability of the fast fashion company by consumers. This is reasonable, as affordable prices have been stated to be the cornerstone of linear economy and high demand generator for fast fashion products (Joy et al. 2012). On the other hand, stylish and high-quality clothing was noticed to enhance the perceived sustainability. This finding supports the claims by Gupta, Gwozdz and Gentry in 2019 about the ways which can make the fast fashion industry more sustainable through consumer purchase decisions.

Furthermore, fast fashion companies' social and environmental sustainability was noticed to enhance the willingness of investors to invest into them, company's social sustainability was important for those whose own values aligned with sustainable investing, and environmental

sustainability was seen important for those who prioritized company's reaction to public demand of sustainability. This aligns with prior research, outside of the scope of fast fashion, about investors inevitably looking for companies reacting to external pressure and stakeholder expectations, and therefore have a competitive advantage (Lovrick, Kavman & Spronk 2008; Talan & Sharma 2019).

Consumer respondents did not shop at fast fashion companies because of their sustainability regardless of the importance of the concept for them. This supports the findings of Lundblad and Davies in 2015, and Simpson in 2019 about consumers often prioritizing frequent and affordable fast fashion purchases over potential value-based sustainability. This finding is also seen to align with the findings of Joy et al. in 2012 and Ki-Hoon and Dongyong in 2010 about CSR communication relieving guilt of consumers to continuously shop at fast fashion brands, especially as amongst the most important variables why consumer respondents shopped there was found to be low prices and new trends. Therefore, sustainability of fast fashion companies is not seen to directly influence consumers' purchase decisions, but it is seen to potentially work as an enabler for consumers to shop at fast fashion companies.

On the other hand, investors cared about the sustainability orientation of fast fashion companies they invested in, as suggested in prior research by Eccles and Serafeim in 2013. However, prior research in the investor scope has not included sustainable fast fashion perspective so far. Therefore, these results enable further theory to be built on prior discoveries.

Sub-RQ3: How do consumer and investor perceptions differ regarding fast fashion companies' communicated sustainability?

There are differences in importance of sustainability for consumers and investors. Consumers do not shop at fast fashion because of the companies' sustainability, whereas investors see this aspect important even for fast fashion company investments. However, both stakeholder groups perceive the fit of fast fashion and sustainability to be rather poor.

Consumers and investors were found to actively look for sustainability information. Furthermore, the sustainability of fast fashion companies is seen through skepticism and the CSR communication motives are seen extrinsic rather than intrinsic. Therefore, it can be stated

that consumers and investors react towards CSR communication of fast fashion companies psychologically in a similar manner.

The behavioral reactions vary between consumers and investors as consumers shop at fast fashion regardless of their perceived unsustainability, and investors, on the other hand, want to invest in fast fashion companies if they have sustainability orientation. These investor-related findings align with prior research results of Korhonen, Honkasalo and Seppälä in 2018; however, the results of investor reactions build on prior research as these findings have not yet been recognized in the fast fashion context.

## 6.2 Theoretical Contributions

The theoretical contributions of this thesis are based upon the identified research gaps and the answers this research has provided. The research gaps included the visibility of skepticism and CSR orientation in Finnish consumers' behavioral reactions, investor reactions towards fast fashion CSR communication, skepticism of Finnish investors towards fast fashion CSR communication, and psychological and behavioral reactions of consumers and investors, their potential interconnectedness and relation to one another in the context of fast fashion CSR communication.

Skepticism and CSR orientation of consumers had been covered in prior research: Parguel, Benoit-Moreau and Larceneuz (2011) presented findings of consumers experiencing increasing skepticism towards the CSR communication of especially unsustainable industries and companies operating in them, and Grubor and Milanov (2017) found there to be increasing demand for CSR efforts by consumers to take place within the fast fashion industry. However, Joy et al. (2012) found sustainability to not often be visible in purchase decisions. This thesis presented similar findings; however, they were studied within the same context to understand consumer reactions better. Therefore, this thesis contributes to existing literature by presenting the results of sustainability being an extrinsic value for many consumers, which reasons its low impact on behavior.

In previous literature investor reactions had been studied on more general levels, but the scope had excluded CSR communication within the fast fashion context: Lovrick, Kavman and

Spronk (2008) had found sustainability to be an intrinsic value for those who invested into sustainable-oriented companies, and Flammer (2013) found sustainability to be important in investing decisions because of its positive impact on the economic sustainability of the company. The results of the investor primary data showed social and environmental sustainability to be intrinsic values and motives for sustainable investing, even more so than economic sustainability. Therefore, this thesis contributes to the existing literature by including the fast fashion context through comparisons of the investor respondent data with existing research and by discovering the motives of sustainable investing to be more innate driven than presented before. However, in more general terms, the investor behavior seemed to follow the same pattern within the fast fashion context as it does in other industries.

The skepticism of investors had been covered to an extent in previous literature: Murashima (2020) found professional investors to generally be more critical of CSR related media coverage compared to non-professionals. However, this thesis found there to be high levels of skepticism amongst the investor respondents towards fast fashion CSR communication. Moreover, the majority (62%) stated to invest as a hobby and the rest (38%) stated investing to be their side income stream. Therefore, the primary data shows the investor respondents are not institutional professionals, but more so non-professionals. This finding contradicts with the existing literature, and therefore contributes to existing literature. However, the differences in existing literature and the results of this thesis may be the result of environmental differences, such as the country of the conducted study, the increased amount of shared CSR communication since the studies had been conducted, or the differences between fast fashion and other industries.

Consumer and investor reactions towards CSR communication had been studied previously, but studies combining these two stakeholder groups and their potential links in the fast fashion context has been limited. For instance, Grubor and Milanov (2017) and McDonald et al (2012) found there to be demand for CSR efforts by fast fashion consumers, which does not automatically reflect to purchase decisions. On the other hand, for instance Flammer (2013) found sustainability to impact investor behavior due to the competitive advantage it is expected to generate, and Lovrick, Kavman and Spronk (2008) found sustainability to be an important value for those with sustainable investments.

The results of this thesis present similar findings, but the interconnectedness is focused on more than in previous research, which enables this thesis to contribute to existing literature. CSR communication of fast fashion companies is largely done to attract more investors due to investor demand for sustainability and the improved performance of sustainability-oriented companies (Flammer 2013), which inevitably results in increase in value of company shares. However, on the consumer side CSR communication is done to react to consumers' sustainability demand, and to influence them on a psychological level, which results in them viewing the company in a more positive light (Ki-Hoon & Dongyong 2010), which has been noticed to increase purchase intention (Christis & Wang 2021; Krisch & Grabner-Kräuter 2017).

### 6.3 Managerial Implications

The managerial implications are presented to pinpoint practical insights for managers to improve their CSR communication strategies in the fast fashion context based on the findings of this research. The managerial implications are presented first for consumer-orientation and second for investor-orientation to be able to bring forth explicit practices recommended for managers.

Fast fashion consumers were noticed to be environmentally aware, based on the primary data, and in fact less than 5% had not been exposed to CSR communication of fast fashion companies. This shows the importance of CSR communication, and its high interest for consumers. To effectively conduct CSR communication, company website, news and media, and social media are recommended as they were noticed to be the most commonly used channels for CSR information search.

The highest importance was given to environmental and social sustainability, and taking responsibility for own actions, when consumer respondents were asked about the importance of sustainability dimensions for them. This finding presents recommendations on sustainability topics that managers can utilize when targeting consumers with CSR communication. However, as stated by Grubor and Milovanov in 2017, regardless of CSR focus of companies, they have to remain accessible and attractive, partly because of attitude behavior gap, the three main criteria for fast fashion purchasing needs to be taken into consideration: affordable prices,

and stylish and trendy clothing. Therefore, integrating the three most important sustainability dimension and purchasing criteria are recommended to improve the efficiency of marketing.

Even though both consumers and investors were found to actively look for CSR-related information about fast fashion companies, investor respondents were found to be more environmentally aware than consumers as less than 3% of investors had not been exposed to CSR communication of fast fashion companies. The most used sources for this information were found to be news and media, corporate reporting and company website. Therefore, these three communication channels are recommended when targeting Finnish fast fashion investors.

When investors decide to invest into a company, they were found to prioritize three sustainability dimensions: company's reaction to public demand of sustainability, company's social sustainability, and sustainable investing aligning with their values. Contrary to consumers, investors were found to put emphasis on the CSR-orientation of the company even in their behavioral reactions. This provides more insight for managers to have more knowledge of the impactful sustainability dimensions for investors, and to understand the impact of the CRS communication on their investing behavior.

To conclude, fast fashion CSR communication towards consumers and investors in Finland is recommended to overlap to an extent. For both stakeholder groups CSR communication has been noticed to generate psychological reactions, and both groups were noticed to use company website, and news and media for CSR information search. Furthermore, social sustainability was noticed to be amongst the most important sustainability dimensions for consumers and investors, and therefore it is recommended to be communicated through the channels which both stakeholders use.

However, further differences in channels for information search and impact on behavioral reactions are noticed, which results in recommendations for differentiated strategies for consumers and investors. Fast fashion companies' CSR communication does not have significant impact on purchase decisions, and amongst consumers' most used CSR information search is social media. This means that focusing on important sustainability dimensions and issues impacting purchase decisions is recommended to be communicated on social media. On the other hand, CSR communication has been noticed to have an impact on investing decisions, and amongst the main sources for fast fashion CSR information for investors was found to be

corporate reporting. Therefore, when reaching investors, the most important sustainability dimensions are recommended to be integrated into the corporate reporting to positively influence investing intent.

#### 6.4 Limitations and Recommendations for Further Research

This research had a sole focus on the Finnish market, and therefore the reactions of individuals living in Finland. However, further research in other markets could present new insight on the differences of stakeholder reactions based on the surrounding environment. The differences in environment and sustainability-orientation are expected to have an impact on the stakeholder reactions. As Finland is seen to be a leader in sustainability, further comparisons to different markets are recommended to cover in further research.

The sample of this thesis was 95 respondents, which is not sufficient to generalize the whole population. Therefore, further research with an extensive sample may be able to provide sufficient data to generalize the reactions. However, this thesis works as a foundation to build on further research. Moreover, the consumer respondents were targeted mainly through convenience sampling, which may result in skewed responses. Therefore, to generate more generalized results, a more holistic take on the sampling is recommended.

Due to the low levels of investors reached with fast fashion company shares, further research is seen to benefit from including exclusively investor respondents with shares of fast fashion companies. This could showcase more reliable data on specifically fast fashion investor behavior and its potential differences compared to investors without fast fashion company shares who were asked to imagine their behavior if they were to own these shares.

The sample of the primary research had a larger representation of female respondents. To generate more comprehensive results in the future, a more even representation of genders is recommended. Furthermore, the scope of this thesis was on two stakeholder groups, investors and consumers. To generate a more holistic picture of the stakeholder reactions towards fast fashion CSR communication, it is recommended to include more stakeholder groups in the research.

As the context of this thesis is the fast fashion industry, it focused on the marketing and communication efforts of them when they aim to market their products to consumers and appeal to investors. Even though this study only focuses on the fast fashion industry, the results of this study could provide building blocks for further studies of sustainability branding and CSR communication of other unsustainable industries.

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## Appendices

### Appendix 1. Fast Fashion Organizations' Brands Inclusion and Exclusion from Further Analysis

Organization	Brand	Price	Finnish presence	Inclusion/Exclusion
Inditex	Zara	4-300€ (Zara 2022f)	Stores (Zara 2022g)	Included
Inditex	Pull&Bear	2-60€ (Pull&Bear 2022)	Online store in English	Excluded
Inditex	Massimo Dutti	36-350€ (Massimo Dutti 2022a)	Stores (Massimo Dutti 2022b)	Excluded: high price
Inditex	Bershka	6-70€ (Bershka 2022b)	Online store in Finnish	Included
Inditex	Stradivarius	6-80€ (Stradivarius 2022b)	Online store in English	Included
Inditex	Oysho	25-82€ (Oysho 2022b)	Online store in English	Included: sports apparel
Inditex	Zara Home			Excluded: Out of scope: furnishing
Inditex	Uterque			Excluded: Merged with Massimo Dutti (Uterque 2022)
H&M Group	H&M	4-300€ (H&M 2022h)	Stores (H&M 2022i)	Included
H&M Group	COS	19-350€ (COS 2022d)	Stores (COS 2022e)	Included
H&M Group	Weekday	10-120€ (Weekday 2022d)	Stores (Weekday 2022e)	Included
H&M Group	Monki	10-70€ (Monki 2022c)	Stores (Monki 2022d)	Included
H&M Group	H&M Home			Excluded: out of scope: furnishing
H&M Group	& Other Stories	19-349€ (& Other Stories 2022d)	Stores (& Other Stories 2022e)	Included
H&M Group	Arket	17-250€ (Arket 2022)	No stores	Excluded
H&M Group	Afound		Presence in Sweden (Afound 2022)	Excluded: out of scope
LPP	Reserved	16-100€ (Reserved 2022c)	Stores (Reserved 2022d)	Included
LPP	Mohito	8-60€ (Mohito 2022b)	Stores (Mall of Tripla 2022a)	Included
LPP	House	10-45€ (House 2022c)	Stores (Mall of Tripla 2022b)	Included
LPP	Cropp	10-43€ (Cropp 2022b)	Stores (Mall of Tripla 2022c)	Included
LPP	Sinsay	3-36€ (Sinsay 2022b)	Stores (Mall of Tripla 2022d)	Included

## Appendix 2. Survey Questions



This survey is done for the purpose of a Master's Thesis within the Lappeenranta-Lahti University of Technology (LUT). The Master's Thesis studies the reactions and behavior of consumers and investors towards sustainable fast fashion communication.

The survey will take about five minutes to respond. Your personal information will not be saved, and the data received from this survey will only be used for the purposes of this Master's thesis.

Please note that I am looking for participants living in Finland, who shop at fast fashion companies, and invest into the stock market. If none of these apply to you please feel free to ignore this questionnaire. Thank you for your interest in my research!



### Gender

- Male
- Female
- Non-binary / third gender
- Prefer not to say

### Age

### Gross monthly income (before tax)

- <1 000€
- 1 000-1 999€
- 2 000-2 999€
- 3 000-3 999€
- 4 000-4 999€
- 5 000-5 999€
- >6 000€

Your highest education level

---

- High school
- Vocational school
- Bachelor's level
- Master's level
- PhD level
- No education

Nationality

---

Do you live in Finland?

---

- Yes
- No



Do you shop at fast fashion companies? Fast fashion companies are characterised as having quickly expiring trends and affordable prices.

---

- Yes
- No





Which fast fashion companies do you shop at? Please, choose all that apply.

- Zara
- H&M
- & Other Stories
- Bershka
- Stradivarius
- Weekday
- Monki
- Oysho
- COS
- New Yorker
- PrettyLittleThing
- Reserved
- Mohito
- House
- Cropp
- Sinsay
- Other:



How often do you shop at fast fashion companies?

	Less often than once a year	Once a year	A few times a year	I can't say. It varies.	Monthly	Once a week	More often than once a week
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



To what extent do the following issues affect your decision to shop at fast fashion companies?

Does not affect my decision 1 2 3 Moderately affects my decision 4 5 Highly affects my decision 6 7

Affordable prices

High quality products

Trendy clothing

Stylish clothing

Because of people around me

The company cares for the environment

The company cares for its employees

Please rate the importance of the sustainability dimensions for you.

Not at all important 1      2      3      I feel neutral 4      5      6      Extremely important 7

My concern for environmental sustainability, such as protecting the environment

My concern for social sustainability, such as fair and beneficial business practices towards the labor and community in which an organisation conducts its business

My concern for economic sustainability, such as the long-term economic growth of the company

Taking responsibility for my actions

Other:

← →

How well do you think sustainability and fast fashion companies go together?

Extremely poorly 1      2      Rather poorly 3      Can't say 4      5      Rather well 6      Extremely well 7

Do you shop at fast fashion companies because of their sustainability?

Definitely not 1      2      Not really 3      Can't say 4      5      Yes at times 6      Definitely yes 7

← →



How do you find information about the sustainability of fast fashion companies? Please, choose all that apply.

- Outside marketing
- Social media marketing
- Friends or family
- Influencers
- In-store promotions
- Website
- News/media
- Corporate reporting
- I have not been exposed to sustainability information of fast fashion companies
- Other:



Please rate your perception towards fast fashion companies' sustainability.

	I totally disagree	I disagree	I moderately disagree	Can't say	I moderately agree	I agree	I totally agree
They are socially responsible retailers	<input type="radio"/>						
They are concerned to improve the well-being of society	<input type="radio"/>						
They follow high ethical standards	<input type="radio"/>						
They act in a socially responsible way	<input type="radio"/>						





How do you view fast fashion companies' sustainability communication motives?

	I totally disagree	I disagree	I somewhat disagree	Can't say	I somewhat agree	I agree	I totally agree
They are trying to capitalise on the growing social movement	<input type="radio"/>						
They are taking advantage of social causes	<input type="radio"/>						
They are trying to benefit from increased awareness of social problems	<input type="radio"/>						



Do you invest into the stock market?

- Yes
- No



Please choose the most appropriate option to describe your investing status.

- I invest into stocks as a hobby
- I invest into stocks as a side income stream
- Investing into stocks is my full-time job

Do you own shares of a fast fashion company?

- Yes
- No





Which fast fashion company's shares do you own? Please, choose all that apply.

- Boohoo, which includes the PrettyLittleThing brand
- Inditex, which includes the brands Zara, Oysho, Zara Home, Uterqüe, Stradivarius, Massimo Dutti, Pull&Bear and Bershka
- H&M Group, which includes the brands H&M, H&M Home, Weekday, Monki, Arket, COS, Afound and & Other Stories
- LPP, which includes the brands Reserved, Mohito, House, Cropp and Sinsay
- Other:



To what extent does the sustainability of a specific company affect your decision to invest into their stocks?

I don't want to invest in companies with a sustainability focus 1 2 Sustainability of a company has no effect on my investing 3 4 5 I only want to invest in companies with a sustainability focus 6 7







Please rate the importance of the following sustainability dimensions for you when deciding to invest into a fast fashion company.

Not at all important 1      2      3      I feel neutral 4      5      6      Extremely important 7

Company's environmental sustainability, such as protecting the environment

Company's social sustainability, such as fair and beneficial business practices towards the labor and community in which an organisation conducts its business

Company's economic sustainability, such as the long-term economic growth of the company

Company's reaction to public's demand for sustainability

Sustainable investing aligns with my values of sustainability

Other:


To what extent does the sustainability of a specific company affect your decision to invest into their stocks?

I don't want to invest in companies with a sustainability focus 1      2      3      Sustainability of a company has no effect on my investing 4      5      6      I only want to invest in companies with a sustainability focus 7



As an investor, how do you imagine you would find information about fast fashion companies' sustainability? Please, choose all that apply.

- Outside marketing
- Social media marketing
- Friends or family
- Influencers
- In-store promotions
- Website
- Corporate reporting
- News/media
- I can't say. I have not been exposed to sustainability information of fast fashion companies
- Other:



Please rate your perception towards fast fashion companies' sustainability.

	I totally disagree	I disagree	I moderately disagree	Can't say	I moderately agree	I agree	I totally agree
They are socially responsible retailers	<input type="radio"/>						
They are concerned to improve the well-being of society	<input type="radio"/>						
They follow high ethical standards	<input type="radio"/>						
They act in a socially responsible way	<input type="radio"/>						





How do you view fast fashion companies' sustainability communication motives?

	I totally disagree	I disagree	I somewhat disagree	Can't say	I somewhat agree	I agree	I totally agree
They are trying to capitalise on the growing social movement	<input type="radio"/>						
They are taking advantage of social causes	<input type="radio"/>						
They are trying to benefit from increased awareness of social problems	<input type="radio"/>						



Additional comments & feedback  
Contact: [Maria.silvennoinen@student.lut.fi](mailto:Maria.silvennoinen@student.lut.fi)



We thank you for your time spent taking this survey.  
Your response has been recorded.

### Appendix 3. Consumer Perspective's Correlation Matrix

	56-75-year-old respondents	Extent stylish clothing affects decision to shop at fast fashion companies	Company's environmental focus impacting decision to shop at fast fashion company	Company's employee focus impacting decision to shop at fast fashion company	Extent high quality products affects decision to shop at fast fashion companies	Extent trendy clothing affects decision to shop at fast fashion companies	Taking responsibility for own actions importance as a sustainability dimension	Concern for environmental sustainability's importance as a sustainability dimension	Fast fashion consumption frequency	Sustainability of company impacting decision to consume there	Fit of sustainability and fast fashion	Extent of surrounding people's influence's affects decision to shop at fast fashion companies
Gender						p=0.029 r=0.282* n=60						
4 000-4 999€ income					p=0.005 r=-0.349** n=62							
5 000-5 999€ income					p=0.040 r=0.261* n=62							
Master's level education								P= 0.031 r=0.277* n=61				
36-45-year-old respondents		p=0.042 r=-0.266* n=59										
Extent trendy clothing affects decision to shop at fast fashion companies		p=0.005 r=0.361** n=60										
Extent high quality products affects decision to shop at fast fashion companies		p<0.001 r=0.439** n=62	p<0.001 r=0.539** n=58	p<0.001 r=0.645** n=59						p=0.020 r=0.316* n=54		
Extent stylish clothing affects			p=0.003 r=0.379** n=58									

decision to shop at fast fashion companies												
Extent affordable prices affect decision to shop at fast fashion companies			p=0.008 r=-0.343** n=58	p=0.004 r=-0.369** n=59	p=0.001 r=-0.397** n=63							
Concern for other's importance as a sustainability dimension										p=0.005 r=0.866** n=8		
Company's employee focus impacting decision to shop at fast fashion company		p=0.002 r=0.399** n=59	p<0.001 r=0.758** n=57									
Concern for economic sustainability's importance as a sustainability dimension	p=0.046 r=-0.265* n=57		p<0.001 r=0.495** n=56		p=0.016 r=0.312* n=59		p=0.008 r=0.340** n=60					
Concern for environmental sustainability's importance as a sustainability dimension				p=0.023 r=0.300* n=57	p=0.028 r=0.285* n=60		p<0.001 r=0.586** n=61					
Concern for social sustainability's importance as a sustainability dimension			p=0.001 r=0.426** n=56	p=0.005 r=0.371** n=56			p<0.001 r=0.705** n=60	p<0.001 r=0.671** n=60				
Taking responsibility for own actions importance as a sustainability dimension		p=0.045 r=0.262* n=59	p<0.001 r=0.570** n=56	p<0.001 r=0.456** n=57	p=0.003 r=0.374** n=60	p=0.003 r=0.377** n=58						
Fit of sustainability				p=0.047 r=0.264*	p=0.017 r=0.304*	p=0.041 r=0.270*			p=0.013 r=0.314*	p<0.001 r=0.756**		

and fast fashion				n=57	n=61	n=58			n=61	n=55		
Sustainability of company impacting decision to consume there												p=0.020 r=0.337* n=47
Skepticism of CSR communication				p=0.009 r=0.347** n=55					p=0.025 r=0.290* n=60	p<0.001 r=0.595** n=53	p<0.001 r=0.639** n=60	
Extrinsic CSR communication motives					p=0.002 r=0.394** n=58							p=0.002 r=0.424** n=49

## Appendix 4. Investor Perspective's Correlation Matrix

	Company's environmental sustainability's impact when deciding to invest into it	Company's social sustainability's impact when deciding to invest into it	Company's reaction to public demand's impact when deciding to invest into it	Other's impact when deciding to invest into it	Sustainable investing aligning with values impacts decision to invest into it	Company's economic sustainability's impact when deciding to invest into it	CSR communication motives
Gender	p=0.016 r=0.356* n=45	p=0.035 r=0.319* n=44	p=0.037 r=0.316* n=44	p=0.007 r=0.968** n=5			p=0.029 r=-0.627* n=12
56-75-year-old respondents	p=0.047 r=0.301* n=44	p=0.008 r=0.397** n=43	p=0.001 r=-0.484** n=43		p=0.017 r=0.357* n=44		
3 000-3 999€ income	p=0.022 r=-0.345* n=44	p=0.016 r=-0.366* n=43		p=0.007 r=0.968** n=5			
Bachelor's level education						p=0.013 r=0.367* n=45	
PhD level education						p=0.026 r=-0.332* n=45	
Investing status							p=0.021 r=0.654* n=12
State of sustainability impacting investing decision	p<0.001 r=0.728** n=44	p<0.001 r=0.726** n=43			p<0.001 r=0.666** n=44		
Company's environmental sustainability's impact when deciding to invest into it		p<0.001 r=0.847** n=44	p=0.001 r=0.470** n=44		p<0.001 r=0.754** n=45		
Company's social sustainability's impact when deciding to invest into it			p<0.001 r=0.592** n=43		p<0.001 r=0.816** n=44		p=0.045 r=-0.586* n=12
Company's economic sustainability's impact when deciding to invest into it			p=0.014 r=0.369* n=44				
Company's reaction to public demand's impact when deciding to invest into it					p<0.001 r=0.516** n=44		