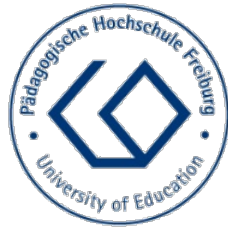


# Summary, Reflections and Outlook

## Part 3: Sustainability and Entrepreneurship

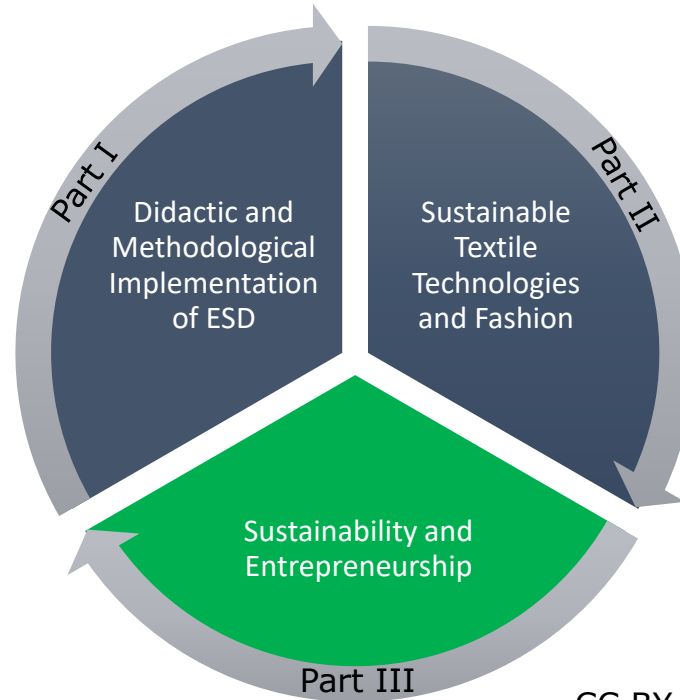


Hochschule Reutlingen  
Reutlingen University



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# Structure of the ESD Module



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# Teaching Units

1. Fashion consumption in the European market
2. Consumer Research
3. The impacts of e-commerce and media on sustainable fashion
4. Global textiles and clothing supply chain
5. State of the art in globalisation & industrialisation in the textile and clothing industry
6. International procurement of textiles and clothing for the European retail market
7. Supplier relationships
8. Social Risk Management in Fashion Supply Chains
9. Best practices of sustainable business models
10. Transparency in Fashion Business
11. Green fashion retail strategies
12. New strategies for sustainable textiles and fashion in the European market
13. Chances and risks of Slow Fashion strategies and a circular economy in the European market

# Initial Situation

- The fashion industry is a mature, extremely globalized and labor-intensive sector with strong competitive pressure, short life cycles and low predictability
- Since the late 1990s and early 2000s fashion firms started to more frequently refresh their fashion lines to meet the rapidly changing preferences of consumers
- Further accelerated through the emergence of e-commerce which provides consumers the unrestricted ability to immediately purchase new clothes



Retailers now constantly flood the market with new mass-produced fashion items that are fashionable, affordable and easily accessible for consumers who desire to follow the latest high fashion trends but for a fraction of the traditional price

# Initial Situation

- However, this business model is extremely resource-intensive and causes significant environmental impact
- High input of water, energy and harmful chemicals is used
- The negative effects of fashion on the natural environment have further intensified through consumers' propensity to overconsumption and short-term use of clothes



The falling prices, the immediate availability and the deteriorated quality of fashion items have encouraged a “throwaway culture” among consumers with many clothes being disposed before their effective lifetime has ended

# Initial Situation

- In the previous lectures a short overview of the most important underlying mechanisms were discussed
- After running through the lectures, students should have a basic understanding of the interaction between companies and consumers in a highly globalized world and why this causes severe negative impact on the environment
- Students should be able to reflect the reasons and – based on this – discuss potential solutions
- Next, a short recap of each lecture is provided

# 1st Lecture Overview & Reflection: Fashion consumption in the European market

- Consumers have countless opportunities nowadays
- Products are quite similar and there are hardly significant differences in quality or price
- Choices are based on more than traditional variables
- Mediatization of the world and the increasing power of social networks means that consumers' choices are based more and more on identity, gaining social currency and self-branding
- The Covid-19 crisis has altered consumption

# 1st Lecture Overview & Reflection: Fashion consumption in the European market

After this lecture students should be able to:

- Differentiate factors that affect consumers' purchasing decision
- Describe the consumer decision process
- Outline the main fashion consumption habits
- Describe the impact of the Covid-19 crisis on fashion consumption
- Discuss sharing as an alternative consumption model



# 2nd Lecture Overview & Reflection: Consumer Research

- Companies must produce bundles of benefits that consumers will view as valuable
- In order to develop and implement a marketing strategy, market research is conducted.
- Marketing research is the application of the scientific method in searching for the truth about marketing phenomena
- In market research, scientific method is the way researchers go about using knowledge and evidence to reach objective conclusions about the real world.

# 2nd Lecture Overview & Reflection: Consumer Research

After this lecture students should be able to:

- Describe the market research process
- Differentiate between different market research methods
- Explain the need for sampling
- Explain the difference between qualitative and quantitative research

# 3rd Lecture Overview & Reflection: The impacts of e-commerce and media on sustainable fashion

- The internet and mobile technologies have allowed greater communication between people in different countries
- Accordingly, the accessibility of information has eased which opens up new opportunities for sustainable development. Media can play a crucial role in this context
- E-commerce brings consumers the convenience to buy products at any place and at any time, allows great choice, increases availability of rare items, and opens business opportunities
- This trend is unlikely to be reversed in the future, however, brings along severe negative environmental impact

# 3rd Lecture Overview & Reflection: The impacts of e-commerce and media on sustainable fashion

After this course students should be able to:

- Describe how communication has developed over the last decades
- Explain the role of media for sustainable development
- Outline the impact of e-commerce on the environment

# 4th Lecture Overview & Reflection:

## Global textiles and clothing supply chain

- The globalization of textile supply chains has a tremendous negative environmental impact
- The globally dispersed apparel supply chain network with the intense involvement of lower-tier suppliers makes it complicated to manage environmental and social issues because the buying firms lack of information and have less impact on lower-tier suppliers
- Especially in the last couple of years, the global economic development poses new requirements for companies` supply chain management
- Emerging challenges comprise demand volatility, production volatility, transportation issues, perishability, transparency, lead times, the availability of raw materials, and the popularity of fast fashion

# 4th Lecture Overview & Reflection: Global textiles and clothing supply chain

After this course students should be able to:

- Describe different reasons for the globalization of the textile supply chain
- Outline the different stages of the textile value chain
- Describe the social and environmental impact of each stage of the textile value chain
- Outline different challenges of the global clothing supply chain

## 5th Lecture Overview & Reflection: State of the art in globalisation & industrialisation in the textile and clothing industry

- Globalization is the process of interaction and integration among people, companies, and governments worldwide
- The globalization process has i.e. resulted in significantly increased international trade, companies operating in more than one country, greater dependence of every country and individuals on the global economy, freer movement of capital, goods, services and humans, and the recognition of specific companies worldwide (global brands)
- Globalization also has a number of negative effects: MNCs may drive local companies out of business; it has facilitated mass production and leads to overconsumption
- Globalization is also viewed by many as a threat to the world's cultural diversity

## 5th Lecture Overview & Reflection: State of the art in globalisation & industrialisation in the textile and clothing industry

After this lecture you should be able to:

- Explain different reasons for globalization
- Describe the positive and negative impact of globalization
- Explain how global trade has developed over the last decades
- Outline the impact of globalization on the fashion industry



## 6th Lecture Overview & Reflection: International procurement of textiles and clothing for the European retail market

- Arising opportunities and the severe global competition have motivated companies to put efforts into reducing manufacturing costs by outsourcing their production to developing countries with low wages
- Apparel retailers approach their outsourcing and offshoring activities in three ways: through direct sourcing from suppliers, through sourcing intermediaries, or via sourcing hubs
- The main problem in keeping the textile supply chain transparent is the extraordinarily diversification of apparel products

# 6th Lecture Overview & Reflection: International procurement of textiles and clothing for the European retail market

After this course students should be able to:

- Describe different barriers to sustainable sourcing in the fashion and textile industry
- Outline why sourcing plays a significant role for the sustainable development of the fashion and textile industry
- Describe the complexity of the fashion supply chain
- List the main exporters of clothes to the European Union

# 7th Lecture Overview & Reflection: Supplier relationships

- Outsourcing has led to complex networks that companies operate in
- A network consists of a set of actors or nodes along with a set of ties of a specified type (such as friendship) that link them
- Networks present essential conduits of information and know-how and provide firms access to useful information and resources
- A company is not able to implement a certain strategy independently but needs to consider other expectations, requirements, or opinions
- Trustworthiness is essential to develop and maintain mutual, long-term relationships: When trust exists, uncertainty is reduced and individuals are more willing to share resources and collaborate

# 7th Lecture Overview & Reflection: Supplier relationships

After this lecture students should be able to:

- Apply the network theory to the business environment
- Describe the role of relationships in business
- Explain how business relationships are developed over time
- Differentiate factors that impact supplier relationships
- Explain the role of trustworthiness in supplier relationships
- Outline the structure of fashion supply chains

# 8th Lecture Overview & Reflection: Social Risk Management in Fashion Supply Chains

- Primary reasons for outsourcing and offshoring activities are lower prices, access to locally unavailable products, technologies, scarce resources, higher quality, increase of supplier base, and the opportunities to develop a foreign market
- This has led to different integration levels of sourcing ultimately resulting in global sourcing strategies that involves worldwide geographically fragmented locations
- Therefore, the operationalization of global supply chain networks comprising multi-tier suppliers (first- and lower tier suppliers) is a highly challenging task and needs strategic management actions calling for the need of Supply Chain Management (SCM)
- The integration of economic, ecological and social aspects of business practices and theory to SCM will result in Sustainable Supply Chain Management (SSCM)

# 8th Lecture Overview & Reflection: Social Risk Management in Fashion Supply Chains

After this lecture students should be able to:

- Describe the reasons for the need for Social Risk Management
- Outline global fashion supply chains
- Explain the concept of Sustainable Supply Chain Management
- Explain barriers and drivers of Sustainable Supply Chain Management

# 9th Lecture Overview & Reflection:

## Best practices of sustainable business models

- Many clothes are disposed before their effective lifetime has ended
- In this context, Product-Service Systems (PSS) have emerged: Instead of selling solely tangible products, PSS shift the focus on fulfilling customers' final needs through offering complementary service elements
- This decouples customer satisfaction from material consumption and entails economic dematerialization as fewer products are manufactured
- Especially a mushrooming of providers that offer services to rent clothes can be observed. However, there are many barriers that prevent consumers from renting fashion and providers from developing an offer

# 9th Lecture Overview & Reflection: Best practices of sustainable business models

After this lecture students should be able to:

- Describe the role of business models for sustainable development
- Understand what Product-service Systems (PSS) are
- Understand how different types of PSS can contribute to sustainability in the fashion industry
- Understand the benefits and downsides of renting fashion



# 10th Lecture Overview & Reflection: Transparency in Fashion Business

- Many consumer studies indicate that consumers want more transparency regarding companies' impact on the environment and society
- More and more fashion firms have started to address this demand and disclose non-financial information about their business activities
- Transparency involves the corporate disclosure of the names of the suppliers involved in producing the firm's products; information about the sustainability conditions within these suppliers' facilities and the buying firms' purchasing practices
- Transparency has also benefits for the company: It reduces negative market signals regarding environmental and social impacts, facilitates the assessment of regulatory and voluntary compliance, and enhances the efficiency and quality of SSCM

# 10th Lecture Overview & Reflection: Transparency in Fashion Business

After this lecture students should be able to:

- Describe what transparency is
- Discuss why transparency is important in fashion business
- Outline benefits and risks of corporate transparency
- Explain the background and mechanism of non-financial reporting
- Discuss the future of transparency in fashion business

# 11th Lecture Overview & Reflection: Green fashion retail strategies

- More and more fashion firms have adopted environmental standards
- For this purpose, clearly defined and executed strategy is needed
- Strategic management embraces the formulation and implementation of the major goals and initiatives of a company on behalf of stakeholders
- It is based on the consideration of resources and an assessment of the internal and external environments in which the company operates
- Fashion retailers, that want to implement a sustainability system in their stores, need to develop a clear long-term oriented strategy and define a plan of action
- Based on the strategy, different data should be monitored and analyzed to prioritize efficiency initiatives by return on investment

# 11th Lecture Overview & Reflection: Green fashion retail strategies

After this lecture students should be able to:

- Describe the strategic management process
- Explain the most important terms of strategic management
- List different aspects that strategic management takes into consideration
- Outline how sustainability can strategically be implemented in a fashion retail store
- Describe the concept of Product-Service Systems (PSS)
- Explain how PSS can strategically be implemented

# 12th Lecture Overview & Reflection: New strategies for sustainable textiles and fashion in the European market

- Companies have increasingly adopted different Corporate Sustainability (CS) initiatives
- These approaches vary a lot regarding commitment and engagement, from “greenwashing” to strategies that aim at transforming the predominant way to do business
- Advanced Corporate Sustainability strategies of organizations are based on different cornerstones such as transparency, comprehensive communication, disclosure of nonfinancial information, stakeholder dialogue, tolerance for failure, and organizational learning
- Particularly Employees play decisive role for CS
- On a more generic level, the implementation of business models such as Product-Service Systems or Circular Economy models are expedient ways to strategically transform the organization towards sustainability

# 12th Lecture Overview & Reflection: New strategies for sustainable textiles and fashion in the European market

After this lecture you should be able to:

- Differentiate the sustainability initiatives of companies
- Describe how companies can contribute to sustainability
- Explain the role that employees play for corporate sustainable development
- Outline the concept of Product-Service Systems (PSS)
- Explain different capabilities that are conducive to PSS implementation
- Describe what Circular Economy (CE) is and how CE initiatives can be implemented

# 13th Lecture Overview & Reflection: Chances and risks of Slow Fashion strategies and a circular economy in the European market

- Most products are not designed for durability: The current economic system is based on fast product replacement
- Products and material possessions play an important role: They represent our personality, social standing, wealth, values, history and relationships with others, are expression of our identity, sexuality, sociality, and of our aspired lifestyle
- Furthermore, they are connected to emotions
- Consumers may develop emotional attachments to some objects but do not to others
- If an emotional attachment exists, consumers are not likely to dispose the product soon after purchase. Instead, consumers care for the product and the product longevity is increased
- Designers should find ways to foster the product-consumer attachment to lengthen the product lifespan: Empathic design is a concept that picks up this idea

# 13th Lecture Overview & Reflection: Chances and risks of Slow Fashion strategies and a circular economy in the European market



After this course students should be able to:

- Describe the logic behind slow fashion
- Outline the role of emotions for fashion consumption
- Describe the concept of empathic design
- Explain different steps towards a circular economy





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