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Jihyeong Son

Washington State University, jihyeong.son@wsu.edu

Young-A Lee

Iowa State University, ylee@iastate.edu

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Effects of Fast Fashion Brands' Sustainability Practices on Brand Equity Formation

Jihyeong Son, Washington State University, USA
Young-A Lee, Iowa State University, USA

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Fast fashion brands (e.g., H&M, ZARA, UNIQLO) now actively advertise their brands' sustainability goals and actions via media channels since their brand image has been devaluated with current societal demands of sustainable fashion business practices. These actions engage in reducing negative impact on the natural environment as well as efforts to deal with social, environmental, or economic causes—supporting fair-trade, building eco-friendly identity, understanding differences in reform and redesign, and raising consumers' awareness of sustainability. However, it is unclear whether these actions actually improve their brand image. Controversial arguments also exist about the effects of sustainability practices on consumer-based brand equity formation. For example, Joergens (2006) argue that personal needs motivate consumers' apparel purchases and take precedence over ethical issues in apparel purchase. Consumers also have doubts on whether fast fashion brands' sustainability actions are only for commercial purposes. Therefore, this study aims to examine (1) whether sustainability practices of fast fashion brands affect customer-based brand equity formation and (2) how the effects of sustainability practices differ across consumers' perceptions toward fast fashion brands' sustainability practices (see Figure 1). Martine's (1996) set/rest model, explaining consumers' mental processes and behaviors consciously instigated to correct for unwanted bias, was used as the conceptual framework of this study.

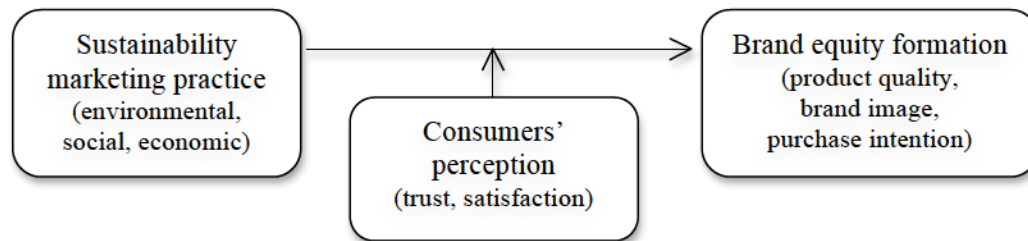


Figure 1. Conceptual model of effects of sustainability practices on brand equity formation

Using a scenario-based experimental design, an online survey was conducted with a nationwide convenience sample of U.S. consumers (aged 19-54 years old) purchased from a reliable market service company. Survey questionnaire consisted of demographic information, sustainability practice scenarios, and questions to measure consumers' perception (trust, satisfaction) and brand equity formation (product quality, brand image, purchase intention). To test the relative effects of different sustainability practices, four hypothetical scenarios were developed to focus on environmental (En), social (S), economic (E) dimensions of sustainability, and no sustainability practice as a control group. In the survey, participants were first asked to rate perception toward a fast fashion brand they endorsed. Then, they were randomly assigned to read one of sustainability practice scenarios for responding the questions on brand equity

formation. The SPSS 19.0 software was used to analyze basic descriptive statistics and to examine significant differences in brand equity formation among the four sustainability practice groups using Analysis of Variance (ANOVA). All variables were measured by using previously validated measures using 7-point Likert-type scale with all Cronbach's alphas above .70.

A total of 391 usable data were categorized into four groups based on which scenario was introduced to the participants: group 1 (G1; $N_{En}=94$), group 2 (G2; $N_S=97$), group 3 (G3; $N_E=102$), and group 4 (G4; $N_{Control}=98$). The participant's ages ranged from 19 to 54 years with the mean age of 32. Approximately 66% of participants were females and 34% were males. The majority was White/European American (67%), followed by Black/African American (11.1%), Asian (11.1%), Hispanic American (6.4%) and others (4.4%). About 53% of the participants considered themselves as fast fashion consumers.

The ANOVA results present significant differences in brand equity formation among the four sustainability practice groups; perceived quality [$F(3, 390)=12.17, p<.001$], brand image [$F(3, 390)=20.32, p<.001$], brand equity [$F(3, 390)=6.04, p<.001$]. Specifically, the Tukey Post Hoc test revealed a significant difference between no sustainability practice group (G4) and the rest of sustainability practice groups (G1, G2, G3), but no significant differences among different types of sustainability practices (environmental, social, and economic). To examine moderating effects of consumers' perception on brand equity formation, 2x2 between-subject factorial ANOVA (perception toward fast fashion brands (high vs. low) by sustainability practices (yes vs. no)) was performed. The relationship between satisfaction and brand image was positive and significant, providing support for the moderating effect of satisfaction on brand image ([$F(3, 387)=50.07, p<.001$]). Other moderating relationships involving trust and satisfaction in all elements of brand equity formation were not significant. However, trust and satisfaction directly influence to perceived quality, brand image, and purchase intention, individually.

Findings of this study prove a positive influence of sustainability practices on product quality and brand image as well as purchase intention, regardless of types of sustainability practices that fast fashion brands involve in. These findings draw a conclusion as consumers are more influenced by whether the fast fashion brands are actively engaged in sustainability-related practices in general rather than paying attention to which particular activity they are engaged in. Results also show that sustainability marketing practices have a positive influence on consumers' purchase intention. In addition, these marketing practices improve brand image regardless of the level of consumers' satisfaction toward fast fashion brands' sustainability practices. Therefore, fast fashion brands can reinforce their sustainable brand image as engaging more in sustainability practices and communicating these more with their current and potential customers. Future study is recommended to explore key determinants of consumers' sustainability trust and satisfaction, which influence brand equity formation, as well as those relationships with consumers' demographic variables such as age, gender, and ethnicity.

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