



Master Thesis:

**The impact of sustainable practices on consumer behaviour in the
fashion industry: a case study at a Dutch fashion company**

by

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ABSTRACT

Background: As the fashion industry is one of the most polluting industries in the world, pressure is mounting on fashion companies to pay more attention to the environmental impact of their products and services. Many fashion companies have already made developments in the field of sustainability in recent years, however, the effect of these developments on the behaviour of its consumers remains a subject of discussion in literature. This study investigated the impact of a fashion company's sustainable practices on the behaviour of its consumers.

Methodology: Structural equation modelling was used to examine the effect of a fashion company's sustainable practices on three important consumer behaviour variables: brand equity, trust, and purchase intention. The mediating role of trust in the relationship between sustainable practices, brand equity, and purchase intention was also examined.

Findings: A fashion company's commitment to sustainable practices has a positive effect on consumers' trust ($p < 0.05$). In addition, no positive direct relationship between sustainable practices and the variables brand equity and purchase intention has been found. However, trust was found to be a competitive mediator in the relationship between sustainable practices and brand equity ($p < 0.05$). It has also been established that an increase in brand equity leads to an increase in purchase intention ($p < 0.05$). Trust does not appear to be a mediator in the relationship between sustainable practices and purchase intention.

Conclusion: The results of this study underline the importance of sustainability in combination with trust for fashion companies, as it has a positive influence on consumer behaviour. The findings of this study can serve as a guide for managers. However, this study can only be regarded as a starting point and further research is necessary.

Keywords: Sustainability, fashion industry, consumer behaviour, brand equity, trust, purchase intention.

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1. INTRODUCTION

In recent years, there has been growing pressure on companies to be more concerned with the environmental impacts of the products and services they offer (Lestari, Dania, Indriani, & Firdausyi, 2021). Sustainability has been identified as a serious concern on a global scale and according to experts, the implementation of sustainability practices is more important than ever (Rexhepi, Kurtishi, & Bexheti, 2013). The choices made today have long-term consequences for future generations. Sustainability ensures making ethical and responsible decisions to provide a healthy and liveable future. Besides the fact that the implementation of sustainable practices has a positive environmental impact, it also has beneficial effects for companies that go 'green'. Research has shown that there is a positive association between sustainable practices and firm performance since sustainability positively affects a company's competitive advantage, reputation, and customer satisfaction (Saeidi, Sofian, Saeidi, Saeidi, & Saeidi, 2015).

According to the literature, an increasing number of companies are focused on sustainable operations. In 2020, already 96 percent of the world's 250 largest companies report on sustainability (Threlfall, King, Shulman, & Bartels, 2020). It can be stated that sustainable practices have become an integral part of a company's identity (Paurova & Chlebikova, 2020). For consumers, sustainability is becoming an increasingly important criterion in their purchase decision. In the past five years, 85 percent of global consumers have shifted their purchasing behaviour towards more sustainability (Kucher, 2021). Strategic marketing can anticipate on this in order to gain competitive advantage (Varadarajan, 2010).

The increasing importance of sustainability also raises considerations regarding the challenges the fashion industry has to face (Kong, Ko, Chae, & Mattila, 2016). The fashion industry has a high level of negative environmental impact as its production processes make intensive use of chemicals and natural resources (de Brito, Carbone, & Blanquart, 2008).

Therefore it is critically important for fashion companies to implement viable initiatives and sustainable activities. However, the importance of sustainability for consumers in the fashion industry remains under discussion in literature. Although the majority of studies suggest that sustainability influences consumers' decision-making in the fashion industry (Gazzola, Pavione, Pezzetti, & Grechi, 2020; Ritch, 2015), some studies show that consumers in the fashion industry attach little relevance to a brand's sustainability (Ciasullo, Maione, Torre, & Troisi, 2017). This research is designed to shed more light on the link between a fashion company's sustainable practices and the behaviour of its consumers accordingly. Therefore, this study will focus on the following research question:

What is the impact of sustainable practices on consumer behaviour in the fashion industry?

To fill this research gap, a case study is performed at L. ten Cate B.V. (ten Cate). Ten Cate – headquartered in Geesteren, Netherlands – is a Dutch bodyfashion brand which offers functional underwear, lingerie and swim and beachwear and is active in the Netherlands, Belgium, and Germany. Product collections are sold through their online web shop as well as through specialist lingerie and sports stores, department stores, and textile retailers. In addition, ten Cate has four outlet stores located in Enschede, Barneveld, Nuenen and Geesteren. Ten Cate has over 60 employees and annual sales of around €21 million in 2021. Approximately 60% of ten Cate's sales are generated by the sale of private label products at companies like Albert Heijn, A.S. Watson, Makro, Wehkamp, etc.

Sustainability has become increasingly important for the company in the last few years. For this reason, ten Cate has decided to use only organic cotton for their collections from 2021 onwards. Ten Cate has also joined the 'Convenant Duurzame Kleding en Textiel' (CKT) and signed the Transparency Pledge. Member organisations of the CKT strive to prevent abuses such as exploitation, animal suffering or environmental damage. In addition, by signing the Transparency Pledge, ten Cate demonstrates that they strive for a high level of transparency

with regard to their production processes and suppliers. For example, all information about production locations can be found on the ten Cate website.

Despite the fact that ten Cate has already made developments in the field of sustainability, they currently have no insights into the impact of these sustainable developments on the behaviour of their consumers. In this study, quantitative research is conducted into the impact of sustainable practices on the behaviour of ten Cate's consumers. Furthermore, ten Cate has no insights into how consumers want to be informed about the company's sustainable practices and developments. For this reason, this study analyses descriptively how sustainable information can be communicated to consumers.

The findings of this study contribute to a better understanding of consumers' awareness and contribution toward sustainability in the fashion industry. In addition, it provides new insights into the impact of sustainability on consumer behaviour in the fashion industry. Consequently, from a business perspective, companies can adjust their corporate identity and enhance their marketing strategy according to the findings of this study.

This paper consists of five chapters, including this first introduction chapter. This first chapter provides a broad introduction to the current situation of sustainability in the fashion industry and an overview of the focus of this study. Chapter Two consists of a more in-depth understanding of the importance of sustainability for the fashion industry and its effect on consumer behaviour. The theoretical model and the corresponding hypothesis supported by literature are also presented in Chapter Two. Chapter Three focuses on the research methodology, which details the method used to test the theoretical model of this study. In Chapter Four, the results of the study are presented and in Chapter Five, these results are further discussed. In addition, the theoretical and managerial implications, the limitations and suggestions for future research, and the answer to the research question are discussed in this final chapter.

2. THEORETICAL FRAMEWORK

In this chapter, the theoretical background of the study is provided. The following topics are discussed in more detail: sustainability, the importance of sustainability in the fashion industry, the effect of a company's sustainable practices on consumer behaviour, and the communication of sustainability information to consumers. In addition, a schematic representation of the theoretical model and hypotheses of this study are presented.

2.1. Sustainability

Currently, the world is facing major environmental problems such as overpopulation, global warming, disposal of toxic waste, loss of biodiversity and deforestation (Singh, 2017). At this point in time, irreversible environmental damage could be wrought (Deverell, 2020). Given the growing awareness of these environmental problems, research is recognising the need for corporations, governments and consumers to respond to this increase. Consequently, it is becoming increasingly important for companies to make strong commitments to sustainability. The term sustainability can be defined as follows: “the development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987, p. 41). Sustainability is not meant to be a fixed outcome, but rather a direction (Buhl et al., 2019).

Three different dimensions of sustainability can be distinguished, namely the economic, social and environmental dimensions (Kuhlman & Farrington, 2010). The impact of the organisation on the economic conditions of its stakeholders is referred to as the economic dimension of sustainability. The social dimension of sustainability refers to social investment and the building of a safe and caring community. The environmental dimension refers to the responsibility to conserve natural resources and to protect the global ecosystem in order to support health and well-being, now and in the future. The 2030 Agenda for Sustainable

Development emphasises global commitment to “achieving sustainable development in its three dimensions - economic, social and environmental - in a balanced and integrated manner” (General Assembly, 2015, p. 3).

Therefore, it is very important to set specific goals to provide a healthy and liveable community for future generations. In 2015, the 17 Sustainable Development Goals (SDGs) were introduced as a universal call to ensure that all people enjoy peace and prosperity by 2030 (United Nations, 2015). The 17 SDGs are: (1) No poverty, (2) Zero hunger, (3) Good health and well-being, (4) Quality education, (5) Gender equality, (6) Clean water and sanitation, (7) Affordable and clean energy, (8) Decent work and economic growth, (9) Industry, innovation and infrastructure, (10) Reduced inequality, (11) Sustainable cities and communities, (12) Responsible consumption and production, (13) Climate action, (14) Life below water, (15) Life on land, (16) Peace, justice, and strong institutions, and (17) Partnership for the goals (United Nations, 2015). The purpose of these SDGs is to raise awareness that both companies and individuals must become sustainability change-makers to create a more sustainable world.

It can be concluded that companies have a huge responsibility when it comes to sustainability and the need for sustainable solutions is high. Moreover, sustainability is an integral part of companies’ lives and a major concern for industries all over the world (Neumann, Martinez, & Martinez, 2021).

2.2. The importance of sustainability in the fashion industry

In the last decade, the fashion industry has also started to realise the importance of sustainability (Neumann et al., 2021). The growing interest in sustainability led to major controversies about the environmental impact of the fashion industry and its production processes. It can be argued that the fashion industry is one of the most polluting industries in the world, as its production processes account for 10% of all human carbon emissions and is the world's second-largest

water consumer (McFall-Johnsen, 2019). Moreover, chemical products and natural resources are used extensively in production processes such as textile dyeing (de Brito et al., 2008). Additionally, the production of fibres, such as cotton and wool, requires a large quantity of water and pesticides, and the extraction and production of synthetic fibres require a significant amount of energy (Myers & Stolton, 1999). Next to that, in the fashion industry, there is a high amount of transportation, as clothes are often produced in low-labour-cost countries but offered to consumers in Europe and the United States. All of the above-mentioned causes contribute to the high level of the fashion industry's environmental impact. Therefore, it can be said that today's fashion industry poses a threat to our planet and its precious resources, and consequently, the need for fashion brands to implement environmentally sustainable developments is high.

In addition to the environmental dimension of sustainability, more value is also being placed on the social dimension of sustainability. In recent years, several companies have been negatively portrayed due to their inhumane production processes. Take, for example, the scandal surrounding Nike in the 90s, when a report was published on their insufficient payment of workers and poor conditions in factories (Niskanen, 2019). Consequently, the emergence to develop sustainability in a balanced and integrated way also applies to the fashion industry.

Moreover, the concept of 'fast fashion' has been introduced in recent years. This concept arose as a result of significant changes in the fashion industry, such as the increase in mass production, the increase in the number of fashion seasons, and changed structural characteristics in the supply chain (Bhardwaj & Fairhurst, 2010). These changes have forced retailers to offer low-priced and trend-sensitive products. As a result, fashion brands manufacture nearly twice as much as they did before the year 2000 (Niinimäki et al., 2020). Therefore, the need for the implementation of so-called 'sustainable fashion' is particularly high for affordable and trend-sensitive fashion brands (Joy, Sherry, Venkatesh, Wang, & Chan, 2012). There is no single

definition available for the term sustainable fashion, however, the concept broadly “encompasses a variety of terms such as organic, green, fair trade, sustainable, slow, eco and so forth, each attempting to highlight or correct a variety of perceived wrongs in the fashion industry including animal cruelty, environmental damage and worker exploitation” (Lundblad & Davies, 2016, pp. 149-150). The major sustainable fashion challenge is to implement sustainable developments in such a way that the quality of the products remains the same while prices do not increase too much.

2.3. The effect of sustainable practices on consumer behaviour

For marketing practitioners, the consumer has become the central focus of attention in recent times. Consequently, the importance of consumer behaviour research is strongly emphasised in literature. According to Solomon (2010, p. 6), consumer behaviour can be defined as “the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires”. Understanding the behaviour of a company’s consumers can help to establish effective marketing campaigns (Chen, Chiu, & Chang, 2005). An emerging trend in consumer behaviour is their preference for more sustainable products and services. Consumers show a willingness to incorporate their concern for the environment into their behaviour, for example by recycling and switching to renewable energy (Choi & Kim, 2005). Sustainable purchasing decisions have slowly but surely become part of consumers' behaviour. Sustainable purchasing behaviour is defined as consumers who are “having a lifestyle, that is, environment consciousness, selecting and recycling products and taking part in events to protect the environment” (Fraj-Andrés & Martinez, 2006, p. 141). According to previous research, consumers are willing to support companies that have introduced sustainable developments (Neumann et al., 2021). However, the extent to which sustainable practices of fashion companies can influence consumer

behaviour is still unknown. The variables used in this study to determine the impact on consumer behaviour are brand equity, trust, and purchase intention. In the following chapters, these variables are discussed in more detail.

2.3.1. The effect of sustainable practices on brand equity

Brand equity is a term used in marketing to indicate the value of a brand. A brand is considered a perceived equity that provides added value to a specific service or product. According to Yoo and Donthu (2001, p. 1), brand equity can be defined as “the incremental utility or value added to a product by its brand name”. Two approaches to measure brand equity can be distinguished, namely the financial and the customer-based approach (Yoo & Donthu, 2001). Whereas financial measures include stock price movements, customer-based measures include the perceptual and behavioural components of brand equity. This study focuses on the customer-based approach of brand equity. To ensure that both perceptual and behavioural components are included in the measurement of brand equity, the concept of brand equity is composed of five dimensions: customer loyalty, perceived quality, brand associations, brand awareness, and market behaviour (Yoo & Donthu, 2001). However, it has been revealed that assessing brand equity using a combination of behavioural and perceptual variables may not be the ideal method for determining the causal relationship between a company's sustainable practices and brand equity (Keller, 1993). For this reason, this study follows Keller's (1993) approach and interprets brand equity as a construct which is solely comprised of the perceptual variables of brand equity, namely brand awareness and brand association. Brand awareness refers to consumers' familiarity with a particular product or service of a brand (Keller, 1993). Brand association refers to the meaning of a brand in the memory of the consumer.

It has been recognized that high brand equity from a consumer perspective has a positive impact on consumer perceptions of the brand and therefore, can generate positive financial

results for the company (Foroudi, Jin, Gupta, Foroudi, & Kitchen, 2018). In other words, strong perceptual brand equity can help companies to achieve successful firm performance. Besides these positive effects, literature also showed that low or negative brand equity can harm firm performance. Investment in sustainable practices helps companies build moral capital and supports a company's brand equity (Melo & Galan, 2011). Research has acknowledged that a company's reputation arising from investment in sustainable practices is an important element in a company's brand equity (Brickley, Smith Jr, & Zimmerman, 2002). Moreover, the study of Hur, Kim, and Woo (2013) suggested that sustainable activities are an important driver of brand equity. Therefore, the first hypothesis of this study is that a fashion company's commitment to sustainable practices positively influences its brand equity (H1).

2.3.2. The effect of sustainable practices on consumers' trust

Morgan and Hunt (1994, p. 23) defined trust as the "confidence in an exchange partner's reliability and integrity". According to their study, reliability and integrity are associated with consistency, competency, honesty, fairness, responsibility, helpfulness and benevolence (Morgan & Hunt, 1994). Furthermore, Munuera-Aleman, Delgado-Ballester, and Yague-Guillen (2003, p. 37) have conceptualised brand trust as "the confident expectations of the brand's reliability and intentions in situations entailing risk to the consumer". The degree of trust a consumer has regarding a company strongly depends on experiences. The more pleasant experience a consumer has with a company, the more trust they have in it (Sichtmann, 2007). In addition, trust can be seen as a predictor of positive marketing outcomes such as loyalty and purchase intention (Neumann et al., 2021). It is therefore essential for companies to build a relationship of trust with their consumers. Consumers classify a company as more trustworthy if a company's brand identity matches their own beliefs. Thus, a company's sustainable practices can have a positive impression on consumers who are sensitive to these social issues

(Pivato, Misani, & Tencati, 2008). The results of the study of Kang and Hustvedt (2014) showed that social responsibility was a valid predictor of trust. Moreover, the study of Neumann et al. (2021) confirmed this positive relationship between socially responsible companies and trust. Therefore, this study suggests that a fashion company's commitment to sustainable practices positively affects consumers' trust (H2).

2.3.3. The effect of sustainable practices on consumers' purchase intention

Purchase intention refers to an individual's desire to purchase a good (Ali, Naushad, & M.M., 2020). Many studies have already investigated the influence of sustainable activities on consumers' purchase intention. Research has shown that consumers prefer buying products from companies that invest in sustainable activities (Bhattacharya & Sen, 2004). Moreover, Kang and Hustvedt (2014) acknowledged that consumers who felt the company had credibility related to its sustainable practices were more likely to have the intention to purchase products from that company. Literature revealed that consumers are willing to support social responsible companies by paying a premium price for products perceived as sustainable (Ciasullo et al., 2017; Creyer, 1997). Furthermore, the study of Ali et al. (2020) showed a positive and direct relationship between corporate social responsible activities and purchase intentions. Therefore, this study suggests that a fashion company's commitment to sustainable practices positively influences consumers' willingness to reward the company via their purchasing behaviour (H3).

2.3.4. The mediating role of trust

It has been indicated that consumers' trust in a brand enhances social embeddedness of the customer-brand relationship to increase customer commitment toward the brand (Grayson & Ambler, 1999). In addition, research has acknowledged that trust is essential for and positively

associated with brand equity (Delgado-Ballester & Munuera-Alemán, 2005). Therefore, this study suggests that trust has a positive effect on brand equity within the fashion industry (H4).

Trust also influences a consumer's purchase intention. Erdem and Swait (2004) found that consumers' trustworthiness in a brand affects consumer choices and has a positive impact on consumers' purchase intention. This is in accordance with the findings of Ali et al. (2020), since this study found that trust has a direct and positive impact on consumers' purchase intention. Therefore, this study suggests that trust has a positive effect on the purchasing behaviour of consumers in the fashion industry (H5).

Moreover, previous research has already shown that trust can play an important role as a mediating variable when it comes to sustainability (Kim & Hur, 2015). It could be the case that before socially responsible activities have a positive impact on brand equity or purchase intention, companies first need to build trust among stakeholders. To investigate if trust has a mediating role, the indirect effect of a fashion company's sustainable practices on brand equity and purchase intention was measured. As it has been discovered in previous research that trust is essential for and positively associated with brand equity (Delgado-Ballester & Munuera-Alemán, 2005), this study assumes that the relationship between a fashion company's sustainable practices and its corporate brand equity is mediated by trust (H6). In addition, this study suggests that the relationship between a fashion company's sustainable practices and consumers' purchase intention is mediated by trust (H7).

2.3.5. The effect of brand equity on consumers' purchase intention

As mentioned, sustainable practices can positively influence a company's brand equity and consumers' purchase behaviour. However, brand equity is also related to the purchase intention of consumers. Literature has shown that brand equity has a positive effect on the willingness of

consumers to pay premium prices (Keller, 1993). The positive relationship between brand equity and purchase intention is supported by other studies as well (Senthilnathan & Uthayakamur, 2011). The study of Khan, Rahmani, Hoe, and Chen (2015) investigated the relationship between both concepts in the fashion industry and their results confirmed this causal relationship. It is critical to not neglect brand equity's impact on purchase intention and consequently, this relationship is included in the theoretical model. This study suggests that brand equity has a positive effect on the purchase intention of consumers in the fashion industry (H8).

2.4. Communicating sustainability information to consumers

The increasing responsibility of companies to implement sustainable developments creates new challenges for marketing and communication strategies (Lewis & Stanley, 2012). In developing its strategy, a company must determine how it should position itself in the market from a sustainability perspective. Companies need to respond to consumer concerns, preferences and expectations if they want to achieve competitive advantage (Verghese, Lewis, & Fitzpatrick, 2012). Since sustainability is becoming an important brand differentiator, companies need to keep consumers informed of sustainable practices and developments. Therefore, companies must make the strategic decision on how and to what extent sustainable development goals, achievements and challenges are communicated to consumers (Verghese et al., 2012). Literature has emphasised the importance of transparent and understandable information about sustainability to support consumer decision-making (Turunen & Halme, 2021). Furthermore, communicating with consumers and convincing them of the company's commitment to sustainability through marketing is crucial for the credibility of companies (Lee, 2016).

Communicating sustainability information directly to consumers can be done by third-party verified sustainable labels or through free-form sustainability claims (Turunen & Halme,

2021). Third-party verified sustainable labels provide an informative base for consumers and are increasingly recognised as an important market tool for the identification of sustainable products. In the fashion industry, for example, international labels such as the Global Organic Textile Standard (GOTS) and Organic Content Standard (OCS) guarantee that organic cotton has been used for the product. In addition, the packaging of products can be labelled with a claim or a symbol to indicate that the packaging can be recycled after use (Turunen & Halme, 2021).

Previous research has shown that improving the visibility of sustainable products and their labels can lead to an increase in the sales of these products (Turunen & Halme, 2021). In addition, literature emphasised the importance to provide sustainable information to consumers at the point of sale to encourage consumers to buy sustainable products. There are also various other ways of communicating sustainability developments to consumers. For example, companies may share their commitment to sustainability and encourage sustainable consumption on social media platforms, such as Facebook. An advantage of these platforms is that they allow members to convey information to their contacts within a short period of time (Lee, 2016). It is therefore a favourable tool for spreading word of mouth and sharing information. Sustainable information can also be distributed via newsletters or through the corporate website. Besides e-commerce, sustainability communication can also take place in physical stores.

However, it is worth mentioning that the promotion of sustainable products and practices without a proactive commitment to it is likely to be counterproductive and can be detrimental to the image of the company (Turunen & Halme, 2021).

2.5. Theoretical model and hypotheses

Literature emphasises the positive impact of a company's sustainable initiatives on consumer behaviour, however little is known about the extent of these effects. Therefore, the effect of sustainable practices on three important consumer behaviour variables - brand equity, consumers' trust, and consumers' purchase intention - is investigated. A schematic representation of the theoretical model and the hypotheses of this study is presented in Figure 1, in which the solid arrows represent the direct hypotheses and the dashed arrows represent the mediation hypotheses.

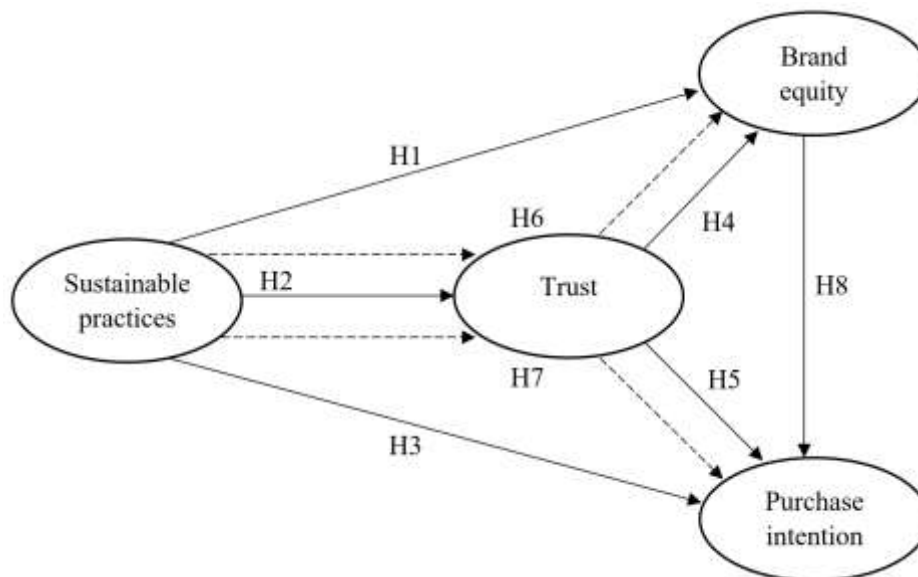


Figure 1. Theoretical model

In summary, the following hypotheses are derived:

Hypothesis 1 (H1). A fashion company's sustainable practices positively influence brand equity.

Hypothesis 2 (H2). A fashion company's sustainable practices positively influence consumers' trust.

Hypothesis 3 (H3). A fashion company's sustainable practices positively influences consumers' willingness to reward a sustainable fashion brand via their purchasing behaviour.

Hypothesis 4 (H4). Trust has a positive impact on a fashion company's brand equity.

Hypothesis 5 (H5). Trust has a positive impact on the purchase intention of consumers in the fashion industry.

Hypothesis 6 (H6). The relationship between a fashion company's sustainable practices and its corporate brand equity is mediated by trust.

Hypothesis 7 (H7). The relationship between a fashion company's sustainable practices and consumers' purchase intention is mediated by trust.

Hypothesis 8 (H8). Brand equity has a positive impact on the purchase intention of consumers in the fashion industry.

In addition to the hypotheses described in the theoretical model, and as an additional aspect of this study with great practical relevance for ten Cate, the way in which consumers want to be informed of the sustainable practices and developments of a fashion company is analysed descriptively.

3. METHODOLOGY

In this chapter, the methodology of this study is provided. First, the study sample is described. Next, the research method, a survey, is explained in more detail. Finally, the analytical tests used to analyse the survey results are discussed.

3.1. Study sample

The data for this study were collected using a standardised online survey. Respondents were approached for the survey via the social media platforms WhatsApp, Facebook, and LinkedIn. Initially, 188 surveys were received. Of these 188 surveys, 49 were discarded due to incompleteness, leaving 139 respondents (71.2% female). A summary of the demographic information of the 139 respondents is shown in Table 1.

Table 1. Demographic information of the respondents

Demographics	Frequency	%
<i>Gender</i>		
Male	39	28.1
Female	99	71.2
Other	1	0.7
<i>Age</i>		
18 – 24	49	35.3
25 – 34	16	11.5
35 – 44	9	6.5
45 – 54	25	18.0
55 – 64	36	25.9
65+	4	2.9
<i>Education</i>		
Elementary education	1	0.7
Pre-vocational secondary education	2	1.4
Higher general secondary education	7	5.0
Pre-university education	2	1.4

Secondary vocational education	22	15.8
Higher professional education	78	56.1
University education	27	19.4
<i>Net income per month</i>		
Less than €1,000	28	20.1
€1,000 – €2,499	59	42.4
€2,500 – €4,999	32	23.0
€5,000 or up	4	2.9
I prefer not to answer	16	11.5
Total respondents	139	100

3.2. Measures

There were four parts to the survey instrument. The first part consisted of questions to find out whether respondents had ever bought a product of ten Cate and if so, how many products in total. The second part focused on the measurement of the key variables of this study, namely sustainable practices, brand equity, trust, and purchase intention. The third part looked at how consumers want to be informed about sustainable practices and developments. The demographic information of the respondents was collected in the last part. To improve the readability and comprehensibility of the survey, it was pretested with employees of ten Cate. For the complete survey, see Appendix A.

The constructs of interest (sustainable practices, brand equity, trust, and purchase intention) were measured with existing scales from literature. *Sustainable practices* and the perception that consumers have of it was measured with three items based on the studies of Du, Bhattacharya, and Sen (2007) and Berens, Van Riel, and Van Bruggen (2005). In order to measure *brand equity* in terms of Keller (1993) through brand awareness and brand association, four items from Yoo and Donthu (2001) were used. *Trust* was measured with a scale consisting of five items measuring the extent to which a consumer believes that the company is trustworthy

and that it will continue to do what it promises (Kang & Hustvedt, 2014). *Purchase intention* was measured with three items from the study of Öberseder, Schlegelmilch, Murphy, and Gruber (2014) to measure the extent to which a consumer would buy company's products in the future. All of the constructs were measured based on a seven-point Likert scale (1 = strongly disagree; 7 = strongly agree). Table 2 shows the complete list of the measurements.

Table 2. Measurements

Construct	Code	Item	Source
<i>Sustainable practices</i>	SUSP1	ten Cate is a socially responsible brand	(Du et al., 2007) and (Berens et al., 2005)
	SUSP2	ten Cate is concerned to improve the well-being of society	(Du et al., 2007) and (Berens et al., 2005)
	SUSP3	ten Cate behaves responsibly regarding the environment	(Du et al., 2007) and (Berens et al., 2005)
<i>Brand equity</i>	BE1	I can recognize products of ten Cate among other competitors	(Yoo & Donthu, 2001)
	BE2	I am aware of the brand ten Cate	(Yoo & Donthu, 2001)
	BE3	Some characteristics of ten Cate come to my mind very quickly	(Yoo & Donthu, 2001)
	BE4	I can quickly recall the symbol or logo of ten Cate	(Yoo & Donthu, 2001)
<i>Trust</i>	TRU1	ten Cate does not pretend to be something it is not	(Kang & Hustvedt, 2014)
	TRU2	ten Cate's product claims are believable	(Kang & Hustvedt, 2014)
	TRU3	Over time, my experiences with ten Cate have led me to expect it to keep its promises	(Kang & Hustvedt, 2014)
	TRU4	ten Cate has a name you can trust	(Kang & Hustvedt, 2014)
	TRU5	ten Cate delivers what they promise	(Kang & Hustvedt, 2014)

<i>Purchase intention</i>	PI1	It is very likely that I will buy products from ten Cate	(Öberseder et al., 2014)
	PI2	I will purchase products from ten Cate the next time I need underwear or swimwear	(Öberseder et al., 2014)
	PI3	I will definitely try other products from ten Cate	(Öberseder et al., 2014)

3.3. Analysis

The theoretical model as described in Chapter 2 was tested using structural equation modelling (SEM) in the ADANCO version 2.3 software (Henseler & Dijkstra, 2015). SEM was used to analyse structural relationships between constructs of interest to test the hypotheses of this study. SEM was performed according to the traditional approach: the measurement model (also called the outer model) and the structural model (also called the inner model) (Henseler, 2017). The measurement model specifies the relation between the constructs and their observed indicators and the structural model specifies the relationships between the constructs (Henseler, 2017). First, a measurement model was established to evaluate the reliability and validity of the constructs. Second, to determine the linear relationships among the constructs of interest for hypothesis tests, a structural model was made. Factor weighting analysis was used for inner weighting and statistical inferences were based on the bootstrap procedure, with 4,999 bootstrap runs.

Furthermore, it was analysed how consumers want to be informed about sustainable practices and developments. In the IBM SPSS Statistics 25 software, the Chi-square test of independence was used to determine whether there is an association between the categorical dependent variable, want to be informed or not want to be informed, and the categorical independent variables gender, age, education level, and income level. In addition, it was investigated whether there is an association between the way in which respondents want to be kept informed and the variables gender, age, education level, and income level.

4. RESULTS

This chapter presents the results of the study. First, the goodness of model fit is described. Secondly, the focus is on the results of the measurement model. Then, the results of the structural model are provided. Lastly, further results from the survey are discussed. An overview of the descriptive statistics of this study is provided in Appendix B.

4.1. Goodness of model fit

First, the approximate model fit was determined. Whereas the saturated model is a model in which all constructs are allowed to be freely correlated, the estimated model is the model in which you specify the constructs as you would like them to be (Henseler, 2017). Evaluation of the overall model fit of the saturated model is essential to assess the validity of the measurement and the composite models and detect potential model misfits (Benitez, Henseler, Castillo, & Schuberth, 2020). In this study, the saturated model and the estimated model are the same, as it can be seen in Figure 1 that there is a linear relationship between each construct. The values of the discrepancy measures and the 95% quantiles of their corresponding reference distribution can be found in Table 3. All three discrepancy measures quantify how strongly the empirical correlation matrix differs from the model-implied correlation matrix (Benitez et al., 2020).

In general, the lower the value of the standardised root mean squared residual (SRMR), the better the theoretical model's fit. A value of 0 implies a perfect fit and a value less than 0.05 indicates an acceptable fit (Byrne, 2013). The SRMR for the model in this study is 0.038 and

Table 3. Overall saturated and estimated model fit evaluation

	Value	HI₉₅	Conclusion
SRMR	0.038	0.051	Accepted
dULS	0.173	0.306	Accepted
dG	0.147	0.247	Accepted

therefore it can be said that there is an acceptable fit. Bootstrapping is used to provide the 95%-percentile for the unweighted least squares discrepancy (dULS) and the geodesic discrepancy (dG). If the values of the dULS and the dG exceed these 95% percentile values, the model is probably not accurate (Benitez et al., 2020). As can be seen in Table 3, all discrepancy measures were below the 95%-percentile of their reference distribution and therefore are accepted.

4.2. Measurement model

The measurement model included four latent variables, also known as constructs, and their indicators. Since this study involves a reflective measurement model consisting of latent variables, composite reliability, convergent validity, discriminant validity, and indicator reliability were evaluated. The reliability and validity of the constructs were tested with a maximum likelihood estimation. As can be seen in Table 4, the Cronbach's α of each construct ranges from 0.808 to 0.903. All values are higher than 0.7 and therefore it can be stated that there is an acceptable internal consistency and reliability (Tavakol & Dennick, 2011).

Moreover, Dijkstra–Henseler's ρA was considered in assessing composite reliability. A value of Dijkstra-Henseler's ρA greater than 0.707 can be considered reasonable, because then more than 50% of the variance in the construct scores can be explained by the latent variable (Benitez et al., 2020). The composite reliability of the components ranges from 0.816 to 0.912 and thus exceeds 0.707, indicating that all values are within the acceptable range.

The average variance extracted (AVE) is typically interpreted as a measure to evaluate the convergent validity. Convergent validity is the extent to which the indicators relating to a latent variable actually measure the relevant construct. If this value is larger than 0.5, more than 50% of indicators' variance is explained by the underlying latent variable (Benitez et al., 2020). In Table 4 it is shown that for each construct, the value is between 0.533 and 0.759, and therefore convergent validity was established.

Table 4. Measurement model evaluation

Construct/indicator	Loading	Weight	Cronbach's alpha (α)	Dijkstra-Henseler's rho (ρ_A)	AVE
<i>Sustainable practices</i>			0.808	0.816	0.586
SUSP1	0.844***	0.434***			
SUSP2	0.767***	0.395***			
SUSP3	0.674***	0.347***			
<i>Brand equity</i>			0.872	0.873	0.629
BE1	0.754***	0.280***			
BE2	0.830***	0.308***			
BE3	0.802***	0.298***			
BE4	0.785***	0.291***			
<i>Trust</i>			0.841	0.863	0.533
TRU1	0.560***	0.195***			
TRU2	0.632***	0.220***			
TRU3	0.783***	0.273***			
TRU4	0.841***	0.293***			
TRU5	0.796***	0.277***			
<i>Purchase intention</i>			0.903	0.912	0.759
PI1	0.969***	0.407***			
PI2	0.796***	0.334***			
PI3	0.839***	0.352***			

Note: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Moreover, the heterotrait-monotrait ratio of correlations (HTMT) is often used to assess the discriminant validity as it outperforms alternative measurements, such as the Fornell-Larcker criterion (Henseler, 2017). Generally, the smaller the HTMT of a pair of constructs, the more likely that two latent variables are statistically different from each other (Henseler, 2017). HTMT values should be below 0.9, or, better, below 0.85. In this study, all HTMT values range between 0.285 and 0.750 and thus do not exceed the recommended threshold (see Appendix C). Therefore it can be concluded that all factors are statistically different and have discriminant validity.

To assess the indicator reliability of construct scores and evaluate whether the construct scores reliably represent the underlying construct, the factor loading estimates were analysed. The loading is the simple regression slope if an indicator is regressed on its construct (Henseler, 2017). Generally, the common rule of thumb is that the factors loading estimates should be 0.707 or higher, because then more than 50% of the variance in a single indicator can be explained by the corresponding latent variable (Benitez et al., 2020). This would mean that indicators SUSP3, TRU1 and TRU2 would have to be removed from the model as their loadings are 0.674, 0.560 and 0.632 respectively. However, researchers increasingly point out that weaker outliers (<0.707) should not be automatically removed from the model, but that the effects of item removal on the composite reliability and convergent validity of the construct should be carefully examined (Leguina, 2015). As a result, removing indicators with a loading between 0.40 and 0.707 from the scale should only be considered if the composite reliability and convergent validity criteria are not met. As the composite reliability and convergent validity in this study are above the recommended thresholds, it was decided not to remove an indicator from the model. The factor loading estimates can be found in Table 4. The estimates range from 0.560 to 0.844 and are all considered as significant, indicating indicator reliability. Moreover, all weights are statistically significant.

4.3. Structural model

After the reliability and validity of the measurement model had been confirmed, the structural model was evaluated. In evaluating the structural model, the overall fit of the estimated model, the path coefficient estimates, their significance, the effect sizes (f^2), and the coefficient of determination (R^2) were considered.

As mentioned, the estimated model of this study is equal to the saturated model. All values of discrepancy measures were below the 95% quantile of their corresponding reference

distribution (HI95), indicating that the estimated model was not rejected at a 5% significance level (see Table 3). These results confirm that the proposed model is appropriate for testing the effect of sustainable practices on the consumer behaviour variables brand equity, consumer trust, and consumer purchase intention. In this model, sustainable practices was specified as an exogenous latent variable, while brand equity, trust, and purchase intention were specified as endogenous latent variables. The results of the structural model including the path coefficient estimates are presented in Figure 2.

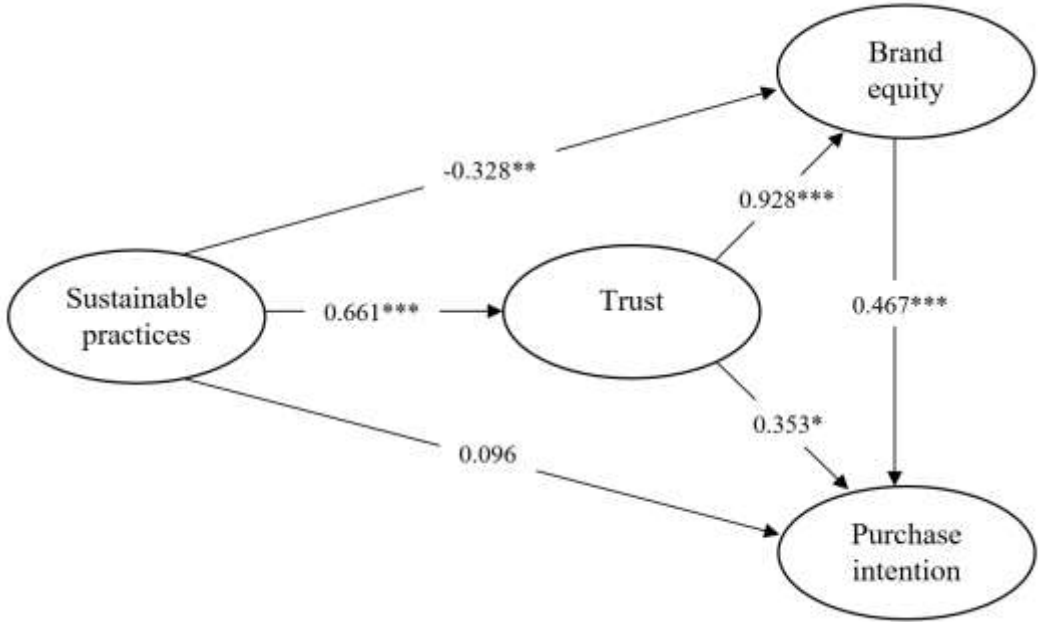


Figure 2. Results of the structural model (*p<0.05, **p<0.01, ***p<0.001)

The relationships between the constructs were determined by examining the path coefficients through the bootstrapping procedure, using a two-tailed test with a significance level of 0.05. The path coefficients are standardised regression coefficients and quantify the direct effect of an independent variable on a dependent variable (Henseler, 2017). Path coefficients reflect the increase in the dependent variable if the independent variable is increased by one standard deviation and all other conditions remain the same (ceteris paribus) (Henseler, 2017). For example, increasing sustainable practices by one standard deviation will

increase trust by 0.661 standard deviations if all other variables are kept constant. When a path coefficient is negative, it indicates that, *ceteris paribus*, an increase in the dependent variable would lead to a decrease in the independent variable. For example, increasing sustainable practices by one standard deviation will decrease brand equity by 0.328 standard deviations if all other variables are kept constant. When the p-value of a path coefficient estimate is less than 0.05 (typically ≤ 0.05), it is regarded statistically significantly different from zero at a 5% significance level. All path coefficient estimates, except the effect of sustainable practices on purchase intention, are considered statistically significant. Table 5 shows an overview of path coefficients of the linear relationship between constructs.

Table 5. Path coefficients overview

Independent variable	Dependent variable		
	Brand equity	Trust	Purchase intention
Sustainable practices	-0.328**	0.661***	0.096
Brand equity			0.467***
Trust	0.928***		0.353*

Note: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

By looking at the effect size of the relationships between the constructs, the practical relevance of significant effects can be examined. The effect size (Cohen's f^2) is a measure of the magnitude of an effect that is independent of sample size (Cohen, 1988). According to the guideline of Cohen (1988), $f^2 \geq 0.02$, $f^2 \geq 0.15$, and $f^2 \geq 0.35$ represent small, medium, and large effect sizes, respectively. It is unusual and unlikely that most of the constructs have a large effect size in the model and therefore constructs with small or medium effect sizes are also accepted. Table 6 consists of an overview of the effect sizes of the relationships between the constructs. The f^2 values of this study range from 0.013 to 1.116, indicating that effect sizes range from small to large. Table 6 also includes the indirect effects and the total effects between constructs. Indirect effects between constructs are of specific interest for mediation analysis.

The total effect between constructs consists of the sum of the direct effect and the indirect effects (Henseler, 2017).

Table 6. Effect decomposition

Effect	Direct effect	Indirect effect	Total effect	Cohen's f²	Effect size
Sustainable practices → Brand equity	-0.328**	0.614***	0.286**	0.139	Small
Sustainable practices → Trust	0.661***		0.661***	0.778	Large
Sustainable practices → Purchase intention	0.096	0.367***	0.463***	0.013	Small
Brand equity → Purchase intention	0.467***		0.467***	0.276	Medium
Trust → Brand equity	0.928***		0.928***	1.116	Large
Trust → Purchase intention	0.353*	0.433***	0.786***	0.097	Small

Note: *p<0.05, **p<0.01, ***p<0.001

The coefficient of determination (R^2) is used to assess the goodness of fit in regression analysis and quantifies how much of an endogenous variable's variance is explained by independent variables (Henseler, 2017). Generally, R^2 values equal to or greater than 0.67, 0.33, or 0.19 for endogenous latent variables are considered as substantial, moderate, or weak (Chin, 1998). The R^2 for the endogenous latent variables brand equity, trust, and purchase intention were respectively 0.566, 0.438, and 0.657 (moderate).

4.4. Hypothesis tests

Based on the aforementioned information, the hypothesised relationships in the model were tested. A negative direct effect was found between a fashion company's sustainable practices and brand equity ($\beta=-0.328$, $p<0.05$). However, this finding contradicts earlier hypothesis and consequently, H1 is not supported.

Moreover, it was found as hypothesized, that the effect of a fashion company's sustainable practices on consumers' trust is significant ($\beta=0.661$, $p<0.05$), and therefore H2 is

supported. The direct effect of a fashion company's sustainable practices on purchase intention was not significant ($\beta=0.096$, $p>0.05$) and therefore no direct relationship between sustainable practices and purchase intention could be established. Consequently, H3 is not supported.

The effect of trust on brand equity ($\beta=0.928$, $p<0.05$) and purchase intention ($\beta=0.353$, $p<0.05$) were both found to be significant. Accordingly, H4 and H5 are supported. In addition, it was investigated whether trust has a mediating role in the relationship between sustainable practices and brand equity, and in the relationship between sustainable practices and purchase intention. A mediation analysis consists of both a test of the indirect effect and a test of the direct effect (Nitzl, Roldán, & Cepeda-Carrion, 2016). If the indirect effect of the constructs via the mediator is significant, a mediation effect is present. If a significant indirect effect is identified, the existence of a direct effect is decisive for the form of mediation. The results showed that the presence of trust leads to a significant positive indirect effect of sustainable practices on brand equity ($\beta=0.614$, $p<0.05$), establishing trust as a mediator in the relationship between a fashion company's sustainable practices and its corporate brand equity. Since the direct effect of sustainable practices on brand equity is significantly negative and the indirect effect of sustainable practices on brand equity is significantly positive, a form of competitive mediation is established (Nitzl et al., 2016). Based on these results, H6 is supported.

The indirect effect of sustainable practices on purchase intention, as described in Table 6, also includes the influence of the construct brand equity (see Figure 2). Table 7 shows the effect of only trust as a mediator in the relationship between sustainable practices and purchase intention. The results indicated that the indirect relationship between sustainable practices and purchase intention mediated by trust is not significant ($\beta=0.234$, $p>0.05$). Consequently, an indirect relationship between sustainable practices and purchase intention could not be confirmed and H7 is not supported.

Table 7. Effect overview of sustainable practices on purchase intention

Effect	Path	Direct effect	Indirect effect	Total effect
Sustainable practices → Purchase intention	SUSP - TRU - PI	0.096	0.234	0.330

Note: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Lastly, a significant direct effect of brand equity on purchase intention is found ($\beta = 0.467$, $p < 0.01$). Thus, H8 is supported. An overview of the hypothesis test results can be found in Table 8.

Table 8. Hypothesis test results

Hypothesis	Path	Estimate	T-value	Lower	Upper	Results
H1	SUSP - BE	-0.328	-2.627 ($p < 0.01$)	-0.579	-0.106	Not supported
H2	SUSP - TRU	0.661	9.152 ($p < 0.01$)	0.510	0.796	Supported
H3	SUSP - PI	0.096	0.691 ($p > 0.05$)	-0.193	0.378	Not supported
H4	TRU - BE	0.928	9.606 ($p < 0.01$)	0.749	1.152	Supported
H5	TRU - PI	0.353	1.989 ($p < 0.05$)	-0.010	0.711	Supported
H6	SUSP - TRU - BE	0.614	5.484 ($p < 0.01$)	0.426	0.865	Supported
H7	SUSP - TRU - PI	0.234	1.943 ($p > 0.05$)	0.013	0.494	Not supported
H8	BE - PI	0.467	3.762 ($p < 0.01$)	0.210	0.712	Supported

4.5. Sustainability communication

Besides testing the theoretical model with the hypotheses, the way in which consumers would like to be informed about the sustainable practices and developments of a fashion company has been analysed. It turned out that 71 out of the 139 respondents (51.08%) did not want to be informed about the sustainable developments of ten Cate. Accordingly, the minority of respondents (48,92%) did want to be kept informed about the sustainable developments of ten Cate. This group of respondents mainly wants to be informed via social media (63.24%), product packaging (44.12%), and via the corporate website (42.65%). Table 9 gives an overview of the communication preferences of the respondents in the field of sustainable

development. As shown in Table 9, more answers were selected than the total number of respondents (n=68), indicating that respondents find multiple ways of communicating about sustainable development appropriate, or that they want to be kept informed in more than one way.

Table 9. Sustainable development communication preferences

	n = 139	%
I do not want to be kept informed	71	51.08
I want to be kept informed	68	48.92
Total:	139	100
I want to be kept informed, via:		
	n = 68	
Newsletters	10	14.71
Social media	43	63.24
Corporate website	29	42.65
Product packaging	30	44.12
During a visit to a store	22	32.35
Total:	134*	

* Since several answers could be given, the total number of answers does not equal 68

In addition, respondents were asked which dimension of sustainability they would like to be kept informed about. Results showed that of the 68 respondents who want to be kept informed about sustainable developments, 24 respondents (35.29%) would like to be kept informed about all 3 dimensions of sustainability. Furthermore, it was found that respondents most often want to be kept informed about the social dimension, namely 48 out of the 68 respondents (70.06%). An overview of the number of respondents who want to be informed about which dimension of sustainability is given in Table 10. As can be seen in Table 10, more answers were selected than the total number of respondents (n=68), indicating that respondents often want to be informed about several dimensions of sustainability.

Table 10. Communication preferences per dimension

I want to be kept informed about, ...	n = 68	%
All three dimensions of sustainability	24	35.29
The environmental dimension	43	63.24
The social dimension	48	70.06
The economic dimension	34	50
Total:	125*	

* Since several answers could be given, the total number of answers does not equal 68

Moreover, it was investigated how respondents would like to be helped when they have questions about sustainability in the future. A large proportion of the total group of respondents (39.57%) wants to ask their questions about sustainability during a visit to a physical store. Furthermore, a large proportion of respondents (33.81%) would like to contact the company via e-mail if they have questions related to sustainability. There is also a group of respondents (28.06%) who do not know how they would like to be helped with questions about sustainability in the future. The total overview of how respondents want to be helped with questions related to sustainability in the future is shown in Table 11. As can be seen in Table 11, more answers were selected than the total number of respondents (n=139), indicating that they find multiple ways of being helped with their sustainability questions appropriate, or that they would like to

Table 11. Communication preferences for future questions

I want to be helped with questions in the future, ...	n = 139	%
Via e-mail	47	33.81
By phone	18	12.95
During a visit to a store	55	39.57
Other	12	8.63
I do not know	39	28.06
Total:	171*	

* Since several answers could be given, the total number of answers does not equal 139

have multiple options to choose from. Out of 12 respondents who answered 'other', 8 respondents indicated they would like to see a chat option on ten Cate's website where they could ask questions about sustainability.

Since the results showed that there is a large group that does not want to be kept informed about sustainable developments, it was investigated whether there is an association between whether or not respondents want to be kept informed and the independent variables gender, age, education level, and income level. The Chi-square test of independence is used to determine whether there is a relationship between the categorical dependent variable, wanting to be informed or not, and the categorical independent variables. No association was found between not want to be kept informed and gender ($X^2(2) \geq 3.509$, $p=0.173$), age ($X^2(5) \geq 9.636$, $p=0.186$), education level ($X^2(6) \geq 3.511$, $p=0.743$), and income level ($X^2(4) \geq 2.682$, $p=0.612$).

In addition, using the Chi-square test, it was examined whether there is an association between the way in which respondents want to be kept informed and the independent variables gender, age, education level, and income level. Again, no association was found between the way in which respondents want to be kept informed and gender ($X^2(6) \geq 1.589$, $p=0.953$), age ($X^2(30) \geq 37.476$, $p=0.164$), education level ($X^2(30) \geq 10.581$, $p=1.0$), and income level ($X^2(24) \geq 22.043$, $p=0.577$).

5. DISCUSSION

This last section consists of an overview of the main findings of this study. In addition, the theoretical and managerial implications of the study findings are discussed. Furthermore, the limitations and suggestions for future research are highlighted. Finally, an answer to the research question of this study is provided.

5.1. Main findings

This study aimed to understand the effect of a fashion company's sustainable practices on three important consumer behaviour variables, namely brand equity, consumers' trust, and consumers' purchase intention. Moreover, the role of trust as a mediator between a fashion company's sustainable practices and consumer behaviour was investigated. The results of this study make an important contribution to the field of business ethics as it is the first study that presents a tested model demonstrating the relationships between sustainable practices, brand equity, trust, and purchase intention.

The results of this study indicate that sustainable practices have a positive direct effect on consumers' trust. This finding is in line with expectations, as previous research has already investigated and confirmed this positive effect (Kang & Hustvedt, 2014; Neumann et al., 2021). However, the findings of this study refute the notion that sustainable practices have a positive direct effect on both brand equity and consumers' purchase intention. In fact, a significant negative correlation was found between sustainable practices and brand equity. A possible reason for this negative correlation could be that respondents were not aware of all ten Cate's sustainable practices mentioned in the survey (see Appendix A). In this study, brand equity was considered a construct consisting of brand awareness and brand association. If respondents thought they knew the company, but were surprised by the amount of sustainable development ten Cate has already implemented, brand awareness might be lower than expected. Besides that,

ten Cate produces many private label products for companies such as Albert Heijn and Wehkamp. As these products are not sold under the name of ten Cate, but under the name of the relevant private label, it is possible that respondents were not aware of any purchases of ten Cate's products they made and consequently, brand awareness and brand association may be lower. The fact that the positive effect of sustainable practices on consumers' purchase intention is not confirmed may have the following explanation: Almost half of the respondents (45.8%) had never bought a product from ten Cate, showing that a consumer's willingness to buy a product of ten Cate was already generally low and that ten Cate is not yet a widely used brand. Of the studies that confirmed the positive relationship between sustainability and purchase intention (Ali et al., 2020; Creyer, 1997; Kang & Hustvedt, 2014; Neumann et al., 2021), most used well-known brands to investigate the relationship between sustainable practices and consumers' purchase intention. For example, the study by Neumann et al. (2021) measured the effect of sustainability efforts on purchase intention using the two fashion brands H&M and Zara. Since these are globally renowned fashion brands, it is likely that respondents have bought from one of these brands at some point in their lives and can better gauge their future purchase intention. Moreover, previous research into the importance of sustainability as a criterion for consumer decision-making has shown that other factors, such as price or brand, are more important to consumers (Öberseder, Schlegelmilch, & Gruber, 2011). These factors could be included in further research.

Next to that, the direct effect of trust on brand equity and purchase intention was examined. According to previous research, trust could positively influence brand equity (Delgado-Ballester & Munuera-Alemán, 2005) and purchase intention (Ali et al., 2020; Erdem & Swait, 2004). The results of this study are consistent with previous results and confirm these positive relationships. In addition, the direct positive effect of brand equity on purchase intention could be confirmed. These findings are in accordance with previous research on the

effect of brand equity on purchase intention (Khan et al., 2015; Senthilnathan & Uthayakamur, 2011).

Finally, the results of this study confirm the mediating role of consumer trust in the relationship between sustainable practices and brand equity. As trust is a competitive mediator in this relationship, it is essential for companies to engage in both corporate social responsibility and trust-building activities to increase firm performance and gain competitive advantage. When companies do not invest enough in consumers' trust, it can lead to the undesired effect that corporate brand equity decreases. The mediating role of consumer trust in the relationship between sustainable practices and purchase intention could not be established. It is worth mentioning that this study used a 95% confidence level and that the T-value of the indirect relationship between sustainable practices and purchase intention is only slightly less than 1.96. If a 90% confidence level was used, the null hypothesis is rejected if the test statistic is greater than 1.65. As the T-value of the indirect relationship between sustainable practices and purchase intention is 1.943, H7 would be supported at a 90% CI. This suggests that the influence of the confidence interval on the results should be taken into account.

In addition to investigating the impact of sustainable practices on consumer behaviour, the way consumers would like to be informed about a fashion company's sustainable development is examined. The results showed that the majority of respondents do not want to be kept informed of sustainable developments, indicating that consumers may not be as interested in sustainability as expected. Besides that, it was found that consumers mainly want to be kept informed about a company's sustainable practices and developments via social media platforms, product packaging and via the company's website. Moreover, consumers prefer to be helped with questions about sustainability in the future during a visit to a physical store or via e-mail. It was also investigated whether there is a link between not wanting to be informed about sustainable developments and the variables gender, age, education level, and income

level. No association could be found between not wanting to be informed and the variables mentioned above. In addition, no relationship could be established between the way consumers want to be helped with questions concerning sustainability in the future and the variables gender, age, education level and income level.

5.2. Theoretical implications

At present, several studies have examined the relationship between sustainability and various measures of business performance (Arevalo & Aravind, 2017; Saeidi et al., 2015) and consumer behaviour (Becker-Olsen, Cudmore, & Hill, 2006; Sen & Bhattacharya, 2001). Even though there is already a large body of research on the relationship between sustainability and consumer behaviour, this research aims to add to this existing body of knowledge by establishing relationships among sustainable practices, brand equity, and purchase intention by including consumer trust as a key mediator.

Moreover, no research had been conducted focusing on the relationship between sustainability and consumer behaviour in the fashion industry in the Netherlands. Therefore, the results of this study contribute significantly to the current knowledge domain of sustainability in relation to brand equity, trust, and purchase intention in the Dutch fashion industry.

5.3. Managerial implications

In the coming years, the findings of this study could have important managerial implications. First, the findings outlined can help managers understand how consumer behaviour can be influenced by a company's sustainability efforts.

In addition, the most essential implication is that managers in the fashion industry should be more concerned with the implementation of sustainable practices, as the results of this study

show that this can positively influence brand equity and consumer trust. However, it is worth mentioning that the positive effect of sustainable practices on brand equity is mediated by trust. Consequently, implementing only sustainable practices is not enough to increase firm performance. It is also of great importance that managers focus on trust-building initiatives, as trust is key in increasing brand equity. Subsequently, an increase in brand equity leads to an increase in consumers' purchase intention.

The findings of this study enable companies to more effectively allocate their resources to sustainable activities that foster trust and favourable attitudes among their consumers, leading to positive impacts on firm performance in the long run. This applies specifically to companies in the Dutch fashion industry, which is the focus of this study.

Moreover, managers can use the findings on consumers' communication preferences in the field of sustainable development for marketing campaigns. As mentioned in literature, the communication of sustainable objectives and activities has become increasingly important for companies (Sanmiguel, Pérez-Bou, Sadaba, & Mir, 2021). Fashion companies should keep their consumers informed about their sustainable developments through their social media pages and their corporate website, as these are relatively effective, but also inexpensive ways of keeping their consumers up to date. Fashion companies should also ensure that the staff in their physical stores are aware of the company's sustainable development, so that they can properly communicate this to consumers when they visit the stores. Furthermore, an e-mail address should be available where consumers can ask questions about the sustainable activities of the company and their products and services. Finally, companies could also offer a chat option on their website, so that consumers can easily ask their questions here. The characteristics of the target group of the company do not have to be taken into account in the above-mentioned managerial activities, as it has been shown that there is no relationship between consumers' communication preferences and variables gender, age, education level, and income level.

However, it is important to point out that it is essential for managers to continue to improve communication on sustainability within the fashion industry (Sanmiguel et al., 2021).

5.4. Limitations and future research

There are a few limitations to the study that should be highlighted, as well as some areas for further research. Firstly, a case study was conducted at ten Cate and therefore the generalisability of this study is limited to companies similar to ten Cate (i.e. bodyfashion companies). In the future, the research model of this study with the corresponding hypotheses should also be tested in other sectors as well to establish its generalisability. Moreover, this study uses a relatively small sample size (N=139). Although the sample size meets the recommended requirements of the ‘10 times rule’, which states that “the minimum sample size should be 10 times the maximum number of arrowheads pointing to a latent variable anywhere in the model” (Hair, Hult, Ringle, & Sarstedt, 2022, p. 25), it is common knowledge that a larger sample size gives more reliable results (Faber & Fonseca, 2014). In addition, the validity of the findings and the statistical power of the study are increased when a larger sample size is used. Consequently, this study should be replicated with a larger sample size.

Secondly, extending the research context of this study to different cultures is an area for future research. The study can be first carried out in other European countries and then extended to other continents. Such an extension is valuable for investigating possible cross-cultural differences in the context of sustainability and consumer behaviour.

Thirdly, this study used a method of voluntary response sampling and online data collection. Voluntary response sampling means that the sample consists of respondents who have voluntarily chosen to be part of the research sample and as a result, researchers have little control over who completes the survey (Lefever, Dal, & Matthíasdóttir, 2007). Unfortunately, the use of this method always leads to somewhat biased results which may jeopardise the

reliability of the study. It also makes it difficult to get equal numbers of respondents in subgroups. This limitation implies that the conclusions drawn about the population in this study are weaker than in probability sampling. In addition, the sample of this study does not fully correspond to ten Cate's current consumers. Table 12 gives an overview of the characteristics of users of ten Cate's webshop in the period January 2021 to September 2021. The data of the users of the webshop after September 2021 were not yet available. Since there is no quantitative data on the characteristics of the consumers who have purchased a product in another way, for example in an outlet store, this data could not be included. As shown in Table 12, the gender distribution in the study sample is similar to that of ten Cate's consumers. So, in terms of gender, the sample is representative to ten Cate's consumers. In contrast, the age distribution between the study sample and ten Cate's consumers is not comparable. Consequently, considerations about the factor age should be carefully considered. How representative the sample of the survey was compared to ten Cate's consumers in terms of education level and income level could not be investigated. Another problem that arises with a method of data collection based on voluntary response is the potentially low response rate, since researchers have also little

Table 12. Comparison gender and age distribution

Characteristics	Users	%	Revenue	%	Study sample (%)
<i>Gender</i>					
Male	5,108	24.7	€40,197	25.4	28.1
Female	15,543	75.3	€118,149	74.6	71.2
<i>Age</i>					
18 – 24	858	4.1	€8,164	5.2	35.3
25 – 34	3,190	15.3	€29,729	18.8	11.5
35 – 44	2,362	11.3	€18,696	11.8	6.5
45 – 54	4,069	19.5	€30,598	19.4	18.0
55 – 64	5,219	24.9	€33,032	20.9	25.9
65+	5,219	24.9	€37,768	23.9	2.9

control over the number of respondents participating in the survey. This may explain the relatively small sample size of this study.

Fourthly, various survey questions may have been used to measure the key variables - sustainable practices, brand equity, trust, and purchase intention – of this study. For example in the study of (Lai, Chiu, Yang, & Pai, 2010), other items were used to measure the perception of consumers on corporate social responsibility. However, in this study, the number of questions in the survey was kept as low as possible to increase the number of respondents. Therefore, it was not feasible to include more items to measure a construct. As a result, it must be taken into account that the use of more items per construct might have led to other results. This applies in particular to the concept of trust, as there is a wide range of different definitions of trust in the scientific literature. As a result, a variety of scales designed specifically for the trust construct have been developed. Additionally, purchase intention was measured according to consumers' intention to purchase an item of ten Cate in the future, instead of the actual purchase behaviour of respondents. This raises the possibility of social desirability bias, as respondents may give answers that they believe are socially acceptable, but which do not accurately reflect their actual purchase behaviour (Carrington, Neville, & Whitwell, 2010).

Fifthly, in this study, the sustainable practices of a company are considered as a complete construct and not as a composite. Therefore, the effects of different dimensions of sustainable activities on consumer behaviour are not measured separately. As the definition of sustainability in Chapter 2.1 indicates, sustainability is an overarching concept consisting of three different dimensions of sustainability: economic, social and environmental. Future research could deconstruct these dimensions to examine their separate effects. In this way, the individual effects of the different sustainability dimensions on consumer behaviour in the fashion industry can be better understood.

Lastly, future research might look into the role of latent variables such as gender and income level in moderating the relationship between sustainable practices and consumer behaviour.

5.5. Conclusion

This study aimed to increase the understanding of the impact of a fashion company's sustainable practices on consumer behaviour. The research question of this study was the following: What is the impact of sustainable practices on consumer behaviour in the fashion industry? To answer this question, the associations between a company's sustainable practices and three important consumer behaviour variables — brand equity, trust, and purchase intention – were measured. A standardised online survey was used to achieve the research objectives. A total of 139 respondents completed the survey. The data collected by the survey were analysed using both the ADANCO version 2.3 software and the IBM SPSS Statistics 25 software.

The results confirmed the direct relationship between a fashion company's sustainable practices and consumers' trust. The hypothesised direct relationship between sustainable practices and brand equity and the hypothesised direct relationship between sustainable practices and purchase intention could not be supported. Also, it could not be established that the relationship between the sustainable practices of a fashion company and the purchase intention of consumers is mediated by trust. However, the findings do show that trust is a competitive mediator in the relationship between sustainable practices and brand equity. Moreover, the relationship between brand equity and purchase intention is supported.

In conclusion, the results of this study underline the importance of sustainability in combination with trust for fashion companies, as it has a positive influence on consumer behaviour. Moreover, a strong integration of sustainable practices should not be seen as an obstacle, but rather as a promising opportunity. The findings of this study can serve as guidance

for managers in the fashion industry. However, as suggested by the large number of suggestions for future research, the findings of this study can only be regarded as a starting point. To further understand the relationship between sustainability and consumer behaviour, more in-depth research is needed.

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APPENDICES

Appendix A – The survey*

*The original survey was in Dutch, but for this report it has been translated into English

Page 1

Thank you for opening this survey.

My name is Wies Haarman and in collaboration with the University of Twente and ten Cate, I am researching the effect of sustainability in the textile and clothing industry.

On the following page, you will find an overview of information about the brand ten Cate and the sustainable developments that the brand has made. Please read this information carefully. Next, you will be asked questions related to sustainability.

This survey will take about 10 minutes to complete. We would appreciate your participation in this survey.

Participation in the survey is anonymous and answers will be processed confidentially. Your answers will not be traceable back to you.

If you have any questions or comments about the survey, please send an e-mail to:

w.l.haarman@student.utwente.nl

Page 2

Please read the following information about the ten Cate brand carefully before continuing with the survey.

Ten Cate is a Dutch clothing company offering a wide range of underwear, lingerie and swim and beachwear. The company is located in Geesteren, Twente. Ten Cate's products are available via their online webshop, at their own outlet stores and at hundreds of outlets throughout the Netherlands. Products of ten Cate are not only sold in the Netherlands, but also in Belgium and Germany.

Ten Cate is committed to sustainable and transparent business operations, whereby they ensure that their production has as little negative impact as possible on people and the environment. This includes making conscious choices when purchasing products and services. For this reason, they have implemented the following sustainable developments in recent years:

- Since 2013, ten Cate has been affiliated with the Business Social Compliance Initiative (BSCI), the body that monitors working conditions in the textile industry, such as the right to form a trade union, safe working conditions and no forced or child labour. At present, 95% of ten Cate's suppliers are also affiliated to the BSCI.
- In 2017, ten Cate joined the Sustainable Clothing and Textiles Covenant. The member organisations strive to prevent abuses such as exploitation, animal suffering or environmental damage.
- In 2018, ten Cate signed the Bangladesh Agreement. The Bangladesh Agreement aims to make garment and textile factories in Bangladesh safer.
- In order to reduce its environmental impact, ten Cate has decided to favour organic cotton over conventional cotton. In 2020, ten Cate achieved GOTS certification, which means that all the cotton used by ten Cate is organic and that the entire production process (from the cotton plantation to storage in warehouses) is socially and environmentally friendly.
- In 2021, ten Cate signed the Transparency Pledge, thereby demonstrating that they strive for a high level of transparency with regard to their production processes and suppliers. For example, all information about production locations can be found on the ten Cate website.

Have you read the information about ten Cate before you continue with the survey?

- Yes
- No

Have you ever bought a product from ten Cate?

- Yes
- No

If “Yes”, how many products of ten Cate have you bought in the past?

- 1
- 2 – 3
- 4 – 5
- More than 6

If “Yes”, where did you most often buy a product of ten Cate?

- Via the ten Cate website
- Via the website of a retailer selling ten Cate products
- In one of the ten Cate’s outlet stores
- In a shop of a retailer selling ten Cate products

Please tick to what extent you agree/disagree with the following statements.

	Strongly disagree	Disagree	Somewhat disagree	Neutral	Somewhat agree	Agree	Strongly agree
ten Cate is a socially responsible brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ten Cate is concerned to improve the well-being of society	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ten Cate behaves responsibly regarding the environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I can recognize products of ten Cate among other competitors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am aware of the brand ten Cate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Some characteristics of ten Cate come to my mind very quickly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can quickly recall the symbol or logo of ten Cate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ten Cate does not pretend to be something it is not	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ten Cate's product claims are believable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Over time, my experiences with ten Cate have led me to expect it to keep its promises	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ten Cate has a name you can trust	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ten Cate delivers what they promise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is very likely that I will buy products from ten Cate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will purchase products from ten Cate the next time I need underwear or swimwear	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I will definitely try other products from ten Cate

Page 5

How would you like to be kept up to date with ten Cate's sustainable developments? Multiple answers are possible.

- I do not want to be kept informed
- Via newsletters
- Via social media
- Via ten Cate's website
- Via product packaging
- When visiting a physical store
- Other, namely: ...
- I do not know

On which dimension of sustainability would you like to be kept informed of developments? Multiple answers are possible.

- I do not want to be kept informed
- The environmental dimension (example: implementing organic cotton)
- The social dimension (example: improving working conditions in factories)
- The economic dimension (example: implementing a living wage instead of a minimum wage for employees)
- I do not know

How would you like to be helped (in the future) if you have questions about sustainability at ten Cate? Multiple answers are possible.

- By e-mail
- By phone
- During a visit to a physical store

- Other, namely: ...
- I do not know

How old are you?

- Younger than 18 years
- 18 - 24 years
- 25 - 34 years
- 35 - 44 years
- 45 - 54 years
- 55 - 64 years
- 65 years and older
- I prefer not to say

How do you describe yourself?

- Male
- Female
- I prefer to give my own description: ...
- I prefer not to say

What is the highest level of education you have completed or the highest degree you have obtained?

- Elementary education
- Pre-vocational secondary education
- Higher general secondary education
- Pre-university education
- Secondary vocational education
- Higher professional education
- University education

What is your personal monthly net income (the amount you receive each month)?

- Less than €1,000
- €1,000 – €2,499
- €2,500 – €4,999
- €5,000 or up
- I prefer not to answer

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Do you have any further comments or recommendations? Please list them below:

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Thank you for taking the time to participate in this survey.

Your answer has been registered.

Appendix B – Descriptive statistics

Indicator	Mean	SD	N	Missing values	Min.	Max.	Variance	Skewness	Kurtosis
SUSP1	5.662	0.989	139	0	3.0	7.0	0.979	-0.642	-0.491
SUSP2	5.518	0.879	139	0	4.0	7.0	0.773	-0.445	-0.643
SUSP3	5.619	0.888	139	0	3.0	7.0	0.788	-0.555	-0.161
BE1	4.424	1.664	139	0	1.0	7.0	2.768	-0.393	-0.838
BE2	4.655	1.825	139	0	1.0	7.0	3.329	-0.514	-0.852
BE3	4.158	1.815	139	0	1.0	7.0	3.294	-0.254	-1.280
BE4	4.209	2.083	139	0	1.0	7.0	4.340	-0.385	-1.402
TRU1	5.370	1.149	139	0	2.0	7.0	1.321	-0.555	-0.502
TRU2	5.108	1.095	139	0	2.0	7.0	1.198	-0.452	-0.356
TRU3	5.108	1.153	139	0	1.0	7.0	1.329	-0.502	0.025
TRU4	5.633	0.918	139	0	4.0	7.0	0.843	-0.572	-0.526
TRU5	5.273	0.977	139	0	4.0	7.0	0.954	-0.101	-1.267
PI1	5.144	1.437	139	0	1.0	7.0	2.066	-0.732	-0.019
PI2	4.475	1.617	139	0	1.0	7.0	2.613	-0.408	-0.426
PI3	4.683	1.425	139	0	1.0	7.0	2.030	-6.14	0.128

Appendix C – Heterotrait-Monotrait Ratio of Correlations (HTMT)

Construct	Sustainable practices	Brand equity	Trust	Purchase intention
Sustainable practices				
Brand equity	0.285			
Trust	0.669	0.717		
Purchase intention	0.460	0.744	0.750	