Julia Galica
(nr albumu: 24278 )

Praca licencjacka

# Corporate Social Responsibility (CSR) as an image building tool in fast-fashion industry on the example of H&M Group

# Społeczna odpowiedzialność przedsiębiorstw (CSR) jako narzędzie budowania wizerunku w branży fast-fashion na przykładzie marki H&M

Wydział: Wydział Nauk Społecznych i Informatyki

Kierunek: Zarządzanie

Specjalność: business analyst

Promotor: dr Justyna Sokołowska-Woźniak

# Abstract

A positive brand image is a challenge for any company to achieve. Therefore, more and more companies are beginning to understand that their actions have an impact not only on the market in economic and financial terms but what is most important it also has a strong impact on society itself. The implementation of a socially responsible strategy results in a better perception of the company and creates its positive image. In order to explore this view, a survey on the perception of CSR among H&amp;M brand customers was conducted. The questionnaire was created using Microsoft Forms available to fulfill for everyone online. The aim was to prove that CSR activities can create a positive image of the company among customers. The adopted research hypothesis assumes that respecting the CSR strategy affects the public perception, positive image, prestige, and reputation of enterprises. The data collected from 100 people confirmed the hypothesis that CSR has a positive impact on the brand image. What's more, the study showed that the vast majority of respondents not only believe that a socially responsible strategy has a better impact on the perception of the company by consumers but also affects their purchasing decisions.

# Keywords

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## Streszczenie

Pozytywny wizerunek marki jest wyzwaniem dla każdego przedsiębiorstwa. W związku z tym coraz więcej firm zaczyna rozumieć, że ich działania mają wpływ nie tylko na rynek pod względem ekonomicznym i finansowym, ale co najważniejsze mają również silny wpływ na samo społeczeństwo. Realizacja strategii odpowiedzialnej społecznie skutkuje lepszym postrzeganiem firmy i kreuje jej pozytywny wizerunek. Aby zbadać ten pogląd, przeprowadzono badanie dotyczące postrzegania CSR wśród klientów marki H&amp;M. Kwestionariusz został stworzony przy użyciu formularzy Microsoft Forms dostępnych do wypełnienia dla każdego online. Celem było udowodnienie, że działania CSR mogą kreować pozytywny wizerunek firmy wśród klientów. Przyjęta hipoteza badawcza zakłada, że respektowanie strategii CSR wpływa na odbiór społeczny, pozytywny wizerunek, prestiż i reputację przedsiębiorstw. Dane zebrane od 100 osób potwierdziły hipotezę, że CSR ma pozytywny wpływ na wizerunek marki. Co więcej, badanie wykazało, że zdecydowana większość respondentów nie tylko uważa, że strategie odpowiedzialne społecznie mają lepszy wpływ na postrzeganie firmy przez konsumentów, ale także wpływają na ich decyzje dotyczące zakupów.

## Słowa kluczowe

Społeczna odpowiedzialność biznesu, CSR tools, wizerunek firmy, lojalność konsumencka, zachowania zakupowe konsumentów, branża fast-fashion, H&M

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# Introduction

Nowadays companies put in a lot of effort to spread their positive image. One way to accomplish this is through implementing corporate social responsibility (from hereon will be written as CSR) in some form or another. Many customers today, especially millennials, expect brands to have a positive reputation as well as leave a positive effect. Many of them are more likely to use the services of a company that is socially involved than is passive in such matters what is also conducive to the growth of the competitive advantage in the global market. This thesis will focus on the impact of CSR in the fast fashion industry. A full analysis of the impact will take into consideration the Hennes & Mauritz AB (H&M) company.

The main objective of this thesis is to explore the impact of corporate social responsibility on creating a company image. Corporate social responsibility is currently a strategy that more and more companies are convinced of and value its implementation. This concept encourages companies to focus not only on their own interests and development but also, on the interests and problems of society. Business activities within the implementation of this concept incorporate a variety of areas, such as the natural environment, employees, the local community, human rights, and fair operating practices (Barko, Cremer & Renneboog, 2017).

This thesis is divided into three main sections. The first chapter is going to discuss corporate social responsibility as a modern management model of enterprise. This section will further be divided into the history, definition (using sources from the past 5 years at most), and will also deep dive into the marketing and brand image aspects of CSR. The second chapter will focus on the general idea of a socially responsible business in the clothing industry which will be divided into smaller sections with the analysis of H&M's CSR strategy. The empirical part of the thesis will present the results of the survey among 100 respondents, the goal of this would be to find out whether or not CSR has an impact on their buying behaviours. The study will present my own research and its verification with my hypothesis.

# Chapter 1. Corporate social responsibility as a modern management model of enterprise

## 1.1 Evolution of CSR

80% of the world's 250 biggest organizations effectively issue corporate social responsibility reviews their efforts into the direction of sustainability. But there has been a long way since firms first began to apply early types of CSR during the 1910s (Stirling, 2019). For decades now, organizations have been implementing corporate social responsibility (CSR) to repay society while enhancing the brand's reputation. This management strategy that is well known today is for the most part a result of the 20th century, taking form within the early 1950s. Nonetheless, the historical backdrop of CSR is one that really ranges over two centuries.

While there has been a new spike in the fame of CSR, proof of organization's concern for society can be followed back to works on beginning from the Industrial Revolution. Within the mid-to-late 1800s, there was growing concern regarding employee upbeat and efficiency among industrialists. The agreement among reformers was that current work hones (like: working conditions, employment of women and children, and emerging factory system) were adding to social issues, including neediness and work distress. Be that as it may, modern advancement and government assistance developments at the time were seen as a mix of compassion and business acumen. Also, making an appearance within the late 1800s was the rise of charity. For instance, wealthy industrialist Andrew Carnegie, who made the majority of his fortune in the steel business, was known for giving enormous parts of his abundance to makes related schooling and research. Continuing in the strides of Carnegie, oil industry business head honcho John D. Rockefeller likewise gave the greater part a billion dollars to scientific causes.

In spite of the fact that responsible organizations had as of now than a century, the term Corporate Social Responsibility was formally authored in 1953 by American market analyst Howard Bowen in his distribution Social Responsibilities of the Businessman. Thusly, Bowen is frequently alluded to as the father of CSR. Nonetheless, it wasn't until the 1970s that CSR really started to take off in the United States. In 1971, the idea of the 'common agreement' among organizations and society was presented by the Committee for Economic Development. This agreement presented the possibility that organizations capacity and exist

due to public assent and, hence, there is a commitment to add to the necessities of society. By the 1980s, early CSR kept on advancing as more associations started fusing social interests in their strategic policies while getting more receptive to stakeholders. The 1990s stamped the starting of far-reaching endorsement of CSR. In 1991, College of Pittsburgh teacher Donna J. Wood distributed Corporate Social Execution Returned to, which extended and progressed on early CSR models by giving a system for evaluating the impacts and results of CSR programs. In the same year, trade administration creator and teacher at the College of Georgia Archie B. Carroll distributed his article The Pyramid of Corporate Social Obligation. In his paper, Carroll extended on zones he accepted were significant when actualizing CSR in an organization. By the early 2000s, CSR had gotten to be a basic technique for numerous organizations, with multi-million dollars companies, such as Wells Fargo, Coca-Cola, Walt Disney, and Pfizer joining this concept into their business forms (Writer, 2019).

During the 2000s, the globalization of business sectors and with it, the opportunity to work with respect to organizations, just as the better relations of organizations with the different stakeholders, caused a further advance towards the difference in organization model (Aagaard, 2016) CSR turned into a central component in organization's reactions to different social prerequisites, comprehended as the manner by which organizations accepted social responsibilities and duties, considering the effect of their procedure on partners, in this way, creating the trust that permitted them to work in various business. In the beginning, those were optional prerequisites, yet they were broadly acknowledged by the organizations. Furthermore, at the institutional level, the proposition of codes of good practice for corporate administration in the different nations were encouraged. This interaction can be said to have finished during the 2000s in a change in CSR towards mix in business systems (Arco-Castro, López-Pérez, Pérez-López, & Rodríguez-Ariza, 2020). CSR turns out to be essential for the business and starts affecting productivity in the utilization of assets, yet additionally turns into the reference point for advancing strategy in the organization with development being a focal angle on the whole territories, yet for the most part in the ecological field (García-Sánchez & Araújo-Bernardo, 2020). This chapter will further focus on the CSR as a marketing tool in modern management model of an enterprise.

## 1.2 Definition of CSR

Nowadays, more customers than ever are requesting that companies alter the way they do business, ended up more straightforward, and take a dynamic part in tending to social,

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social, and natural issues. Corporate Social Obligation (CSR) has taken it's put in today's corporate world, and businesses that disregard it do so at their possess peril (Ohio University, 2020). A relatively long history of the theory of social responsibility has given rise to various justifications and explanations of the term. CSR is still a subject of research and debate in terms of evolution.

The general and basic definition of Corporate Social Responsibility refers to an organization which take steps to guarantee there are positive social and ecological impacts related with the manner in which the business works. Organizations that take part in dynamic CSR endeavours consider the manner in which they work on the planet to consolidate tending to social and social issues, with the point of profiting both all the while. Not exclusively can CSR models increment business and income, but they also advance change and progress all through the world, which regularly includes assisting individuals with few or no assets.[7]

What is more, it is also described as a management idea whereby organizations incorporate social and ecological worries in their business activities and communications with their stakeholders. CSR is for the most part perceived as similar to the path through which an organization accomplishes an equilibrium of financial, natural, and social goals, while simultaneously tending to the assumptions for investors and partners. In this sense, it is essential to draw a qualification between CSR, which can be an essential business the board idea, and a good cause, sponsorships or altruism. Despite the fact that the last can likewise make an important commitment to neediness decrease, will straightforwardly improve the standing of an organization and reinforce its image. An appropriately actualized CSR concept can bring along an assortment of upper hands, like upgraded admittance to capital and markets, expanded deals and benefits, operational expense investment funds, improved profitability and quality, effective human asset base, improved brand picture and notoriety, improved client reliability, better dynamic and danger the board measures (United Nations Industrial Development Organization, n.d.). The concept of CSR includes key issues such as environment, human rights, labour practises and working conditions, fair trade, social equity and gender balance, consumer and stakeholder practises, ethical manner and community relations (Hayzlett, 2016).

The term voluntary seems to be a key here. Thus, it is perceived that CSR is simply a business responsible for its impact on society. Therefore, the main condition for implementing CSR standards is respected applicable law and obligation for the effect on the environment or society which is aimed at maximizing the benefit for stakeholders and minimizing the

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negative impacts of the effect of a given organization (Buczkowski, Dorożyński, Kuna-Marszałek, Serwach, & Wieloch, 2016, 26-31).

According to the International ISO Standardization Organization in Guidance on social responsibility, CSR refers to an organization's responsibility for the effect its policies and activities have on society and the environment by acting in a straightforward and ethical manner that:

1. Contributes to sustainable development, including health and well-being society
2. Takes into account the expectations of stakeholders (individuals or groups that are concerned decisions or actions of the organization);
3. Is compliant with applicable law and consistent with international laws standards of conduct;
4. Is integrated into the activities of the organization and practiced in its activities undertaken within its sphere of influence (Rojek-Nowosielska, 2013).

In other words, CSR is the globally respected idea for responsible corporate behaviour, despite the fact that it isn't clearly characterized. In short, it alludes to the ethical and moral commitments of an organization concerning their workers, the climate, their competitors, the economy, and various different everyday issues that affect its business. CSR is likewise perceived as a voluntary contribution to some company regulations i.e. above national laws and guidelines. This implies that organizations which work morally and ethically can regularly utilize their CSR for PR purposes also. In the event that it becomes realized that an organization will fully invest in a decent aim, this would boost its public profile (Ionos, 2019).

## 1.3 Division and characteristic of CSR areas

Corporate social responsibility is a very vague term and, as a result, there are many ways to interpret the underlying concept. Stefanie Hiss outlined a relatively common responsibility model which divides CSR into three core areas:

- **Internal area of responsibility –** this sector covers all interior business activities. This area is generally a duty of organization chiefs and impacts significant choices, for example which stakeholders are obtained, one's own obligation to the market as to syndications, reasonable and practical growth and productivity strategy. In other words, internal CSR focus on policy and practises regarding employees, their well-being, safety and satisfaction.

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- **Middle area of responsibility –** this sector incorporates all those activities of an organization whose impact on a climate and society can be easily estimated. This involves environmental and labour standards, supply chain management, stakeholders and company values. Also, CSR in this area is the hardest to facilitate for some enormous organizations, however has acquired significant significance – precisely because on that grounds the most harm can happen. This applies not exclusively to the climate and society, yet additionally to an organization's workers, partners, and notoriety.

- **External area of responsibility –** this sector involves all activities concerning contributors, sponsoring, and social obligations. Corporate giving such as offering donations, participating or organizing fundraising events is the most popular method of effective corporate responsibility. Also, sponsoring some charities and supporting local events or goals are part of this responsibility area.

Due to the fact that every company has different business practices, there are different types of CSR categorization. But the fundamental concept involves environmental, human rights, philanthropic and economic responsibility (Ionos, 2019).

## 1.4  Corporate social responsibility in terms of marketing

### 1.4.1  The role of CSR in marketing

As has been already mentioned, an increasing number of companies decide to implement CSR practices in their business strategy. For that reason, necessary in this whole process is effective communication, and that's when marketing comes to use. Informing people about their impact on the world and communicating important values using a proper marketing approach can affect their buying behaviour. Hence, marketing is a key component for spreading a corporate culture (Barko et al., 2017).

In general terms, marketing refers to all kinds of business activities concerned with the purchase, advertisement, distribution, and sale of a product or service. It can be defined as the process in which organizations make an incentive for clients and construct solid client connections to satisfy their needs. Also, as the set of activities for making, imparting, conveying and trading contributions that have value for clients, stakeholders, and society. Hence, marketing plays a crucial and inseparable role in running any business as being a

reflection of a company by representing it as a whole (Kotler & Keller, Marketing management (15th ed. ed.), 2016) .

Consequently, one of the most relevant angles of corporate social responsibility is the marketing and promotional activities that are undertaken by corporations while creating CSR strategies. Therefore, there is no way to talk about this concept itself without taking into consideration its implementation in marketing. In order for companies to be successful in this area, they must use CSR as a marketing tool in creating a socially responsible brand image (UK Essays, n.d.). For that reason, social responsibility in marketing includes attracting clients who want to make a meaningful impact in their purchases.

Interestingly, CSR companies spend an enormous amount of money on advertising their socially responsible activities and providing information about those practices. Moreover, in recent years, numerous organizations have increased their product promoting with corporate missions centering on their social and natural obligations and practices to empower their clients to expend in an eco-friendly way (Yoon, Kim, & Baek, 2016). Others within the trust that they might increase ecological concern, which might prompt the consumption of harmless to the eco-system products (Bhatnagar & McKay-Nesbitt, 2016). This section will describe the most popular marketing tools for implementing CSR strategies within the companies and the role of stakeholders in this process.

### 1.4.2 CSR tools in marketing

To efficiently create and communicate the applied CSR policy, particular marketing tools should be used. For this purpose, companies undertake social initiatives to fulfil the obligation of corporate social responsibility practice. It is all about using a brand's global presence and product ranges to make a difference. And to do so, there is a bunch of various activities that can make it happen (Lee, 2016).

Accordingly there are 6 major initiatives of CSR marketing tools that can be distinguished (Kotler, Hessekiel, & Lee, 2012). Further, Nancy R. Lee in her article explain all of them. The first described marketing tool is corporate social marketing. This tool generally refers to the behaviour change campaigns which aim is to improve safety, public health, and the climate. In that case, the major goal of a company is to create a behavioural improvement or conduct a change. In other words, its aim is to influence people on general issues such as health and the environment, mostly through advertisements. A perfect example

of the use of this type of social initiative is an outdoor clothing retail giant Patagonia launching its campaign 'Don't buy this' in 2011. The advertisement encouraged consumers not to squander their money and be more environmentally conscious, while not buying new things and sticking to the old ones, including the same Patagonia goods. The commercial spoke about the environmental expense of the company's products, asking customers to rethink before purchasing the item, and instead opted for it. Moreover, thanks to this campaign Patagonia saw its incomes develop about 30% to $543 million of every 2012, trailed by another 5% development in 2013 and came to $1 billion in sales in 2017 (Byars, 2018).

Another distinguished tool is caused-related marketing (marketing socially involved, in short CRM). It is a mutually beneficial collaboration between a company to support their sales and a non-profit to promote the cause. Organizations use this marketing strategy to raise awareness of a cause and demonstrate social responsibility. For instance, in 2020 The Body Shop started a social campaign "Time To Care" which aim was to promote health, well-being, and kindness. To repay healthcare professionals and volunteers for their dedication, North American's Body Shops collaborated with shelters, local hospitals, and food banks by donating to those communities cleansing supplies. So, such an involvement promoted practicing self-care by making it available for everyone. Also, created with the name of the campaign hashtag in social media helped to spread the world brand's initiative and consequently bring it closer to the clients. It also opens a door for raised awareness and supporting social issues within the communities (The Body Shop, n.d.).

The third distinguished CSR tool in marketing is cause promotion in which an organization uses its assets, in-kind contributions, or other funds to raise a concern for a social cause or to promote fundraising, volunteering, and involvement for a cause. In other words, it contributes financially to a particular cause. Well-designed promotions may affect the image of a company and consequently, increase sales, and customer loyalty. A great example of such a promotion comes from the clothing brand Hanes. They launched the "Hanes For Good" campaign to fight homelessness by donating millions of socks to the needy ones. By donating funds on this project, a company has shown that they genuinely care about homeless people and thus, raised awareness on this problem (Optimy, 2021).

Some other described social initiative is corporate philanthropy which is a direct donation to a charity or cause, most commonly through cash grants, donations, or in-kind services. The companies support a charity, or foundations to deliver some social impact and

improve their brand image. For that, the most popular are corporate giving programs. For instance, Apple has donated $78 million to charitable organizations through matched donations and volunteer services. Also, employees give 10 thousand dollars a year to charities what contributes to strengthening the reputation of Apple's brand (Optimy, 2017a).

An essential solution in adopting the CSR concept by the company is also corporate volunteering. This type of social initiative encourages workers to partake in charitable organizations and causes. It can involve employees volunteering with their skills, abilities, and ideas. Corporate help may include offering paid time off work, organizing and coordinating teams to help explicit causes the company has focused on. As a result, it strengthens a relationship with employees and connects them with business objectives. For example, The American software company offers its workers 5 days at year to spend helping in schools and other non-profit organizations. In addition, they are constantly associated with social activities and missions. In turn, the Deloitte firm offers its workers 48 hours a year of paid time for volunteering in any charitable organization (Optimy, 2017b).

Finally, last but not least CSR tool in marketing is socially responsible business practices adopted by an organization to support a social cause. There are different social activities that firms can promote, for instance, social sponsorships, cash donations, goods and services donations, corporate volunteering for non-profits, and community engagement (Optimy, 2017c).

1.4.3    The role of stakeholders in CSR

The stakeholders are a fundamental component for the success of any organization, especially in executing CSR activities. Without their commitment, experience, expertise, creativity, and loyalty, the company could not accomplish its goal.

Those days, the stakeholder approach has been recognized as a rising field of strategic value development for businesses. The reason for that is that they provide for a company both pragmatic and monetary support, so they can affect business operations, its social performance, and outcomes (Nikolova & Arsić, 2017). Moreover, Fonseca et al. (2016, p. 155) states that the primary motivation behind implementing CSR practices is to please their stakeholders, as they affect the accomplishment of their corporate objectives and goals. Brandt & Georgiou (2016, p. 7) adds to it that they can also improve marketing strategy.

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When it comes to the definition of the stakeholder, it is described as any recognizable gathering or person who can influence the accomplishment of an association's targets or who is influenced by the accomplishment of a firm's destinations. To put it another way, it is an individual, gathering, or association that has an interest in a particular organization and the results of its activities. Therefore, key stakeholders in a typical model of the company are its owners, staff, consumers, and suppliers. Additionally, there are investors, directors, creditors, government, and the community from which the business draws its resources (UK Essays, n.d.).

As for the role of stakeholders in the CSR concept, a key connection is the relation linking business and society. Hence, different groups of stakeholders (from internal and external environment mentioned in a previous sections) have distinct impact on CSR practices. For instance, one of the most important internal group of are employees, whose engagement in CSR values may boost the overall corporate performance. Prutina (2016, p. 240) found that social capital affect better connections and consequently improve worker's results. Further, she claims that CSR representatives may improve the standards of their organization's performance. Consequently, companies are likely to reach higher levels of quality, efficiency, and reliability.

On the other hand, an external group of stakeholders influence brand reputation and credibility. They involve contributors, sponsors, and the local community who through philanthropic and other social activities affect marketing performance. Sponsorships, donations, charity events, and other CSR incentives increase brand recognition thereby, improve marketing performance and hence, attract more consumers (Chomvilailuk & Butcher, 2016). All in all, stakeholders play a vital role in the CSR concept not only by increasing sales but also through consumer loyalty.

## 1.5    CSR as an element of the brand image

### 1.5.1   The importance of brand image

There are a number of reasons why a company implements a socially responsible strategy. One of them is to improve their image, which is the most common motive. A company's image is essential for any business simply because most often consumers buy a product or service relying on the brand and not on the item itself.

In today's times, the definition of brand image is not limited just to the logo or a catchy slogan but it is a mix of customer's perceptions towards a company. Due to the fact that first impressions count the most, brand image is a decisive factor determining sales indicators. A key is to create a strong brand identity which then will be a foundation for all the marketing strategies. Hence, a combination of views, beliefs, and ideas in the client's mind decides about the success of a business (Thimothy 2017). Therefore, the key factor is the properly designed form of communication to consumers.

## 1.5.2   The relationship between CSR and the company's image

In the previous section, it was established that marketing tools and stakeholders have a powerful impact on CSR. The present section discusses the socially responsible image of a company and how it affects consumer buying behaviour.

A positive company image affects a great number of advantages such as recognition, brand loyalty, prestige and gives a competitive advantage among competitors (Almeida & Coelho, 2019). Corporate image consists of many different elements. Loosemore & Lim (2018) distinguish four of them. Firstly, he highlights brand identity, which incorporates the firm's logo, name, cost, components, and form of communication. Then he points out individuality, which involves corporate philosophy and culture, qualities, mission, and goals of a company. The third component is the staff, which ought to be accomplished, well-trained, friendly and respectful. The last element is the environment incorporating style, buildings, and decorations. Therefore, all of those features affect the reception of CSR policy.

As it has been already mentioned, the most important factor in building brand image is communication, its channels as well as the context of a message itself. For this reason, a key role in creating a positive picture of a company plays the marketing tools (broadly described in the 1.4.2 section). Because through them, CSR has a profound and optimistic influence on corporate image and credibility (Lu, Ren, Qiao, Lin, & He, 2019). Taking this thought a step further, studies have shown that participating in social initiatives like charitable donations arranged by organizations can help with improving the image of a brand's items. Interestingly, they even have a larger impact on customer's assessment of a company than sponsorships (Luo & Jiang, 2019). Moreover, they affected client's willingness to buy constantly which consequently improve their impression and recognition of the brand (Wenting, Tao, Jun, & Hua, 2019, p. 126). Also, voluntary initiatives of an enterprise positively affect its image. Dawood (2019) states that active organization and promotion of

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voluntary events by a company attract the attention of consumers, thus influence positive perception of the brand.

When customers are aware of the brand and the values they agree with, they become loyal to its products which consequently has a positive impact on the brand identity and increases brand value (Shabbir, Khan, & Khan, 2017, p. 416). Such a repeat-buying behaviour Kotler et al. (2018) explain as a symbol of brand loyalty. And that is the way in which buyers support CSR company's products. Therefore, organizations ought to be aware of the significance of execution of the CSR practices to improve their brand identity and satisfaction through consumer's purchasing behaviour (Abbes, Hallem, & Taga, 2020), and consequently affecting their brand loyalty (Kaur, Paruthi, Islam, & Hollebeek, 2020). Furthermore, to affect buyer's perception of the brand, it is good for enterprises to use social media and spread the relevant information about their brand image to consumers (Cheung, Pires, & Rosenberger III, 2019, p. 243). According to the study of Mabkhot et al. (2017), brand loyalty has a powerful impact on brand image. Today's consumers value brand awareness which is manifested by inter alia CSR practices. Therefore, through an appropriate form of communication and their channels, CSR activities influence a positive image of a company (Ramli, 2019)

### 1.5.2 Consumer approach to CSR practices

Feedback on the implementation of the CSR strategy enables businesses to recognize consumer preferences and inclinations. It also proves whether it has a positive impact on the brand image. Therefore, the link between CSR and consumers is significant because they are the most important group of stakeholders who decide on a company image by choosing and buying a particular product.

From the business point of view, clients who relate with CSR organizations are most probably to embrace its items and services. Moreover, a company with a strong standing of being socially responsible can better meet the consumer's needs and thereby has a positive impact on their relationship with a company. Additionally, customer views on the principles of an enterprise can be improved by organizational CSR initiatives (Fatma, Khan & Rahman, 2018). They shows that a business support more extensive social issues instead of only those that affect its revenues.

According to the 'Clutch' survey of 420 consumers in the U.S. company's values and beliefs started to be progressively vital as people become aware of how their buying decisions

influence the planet. Research has shown that 75% of respondents want to shop at companies that agree with their values. Interestingly, the greater part of individuals (59%) is ready to quit shopping at an organization that promotes a matter they disagree with (Cox, 2019). This study reveals that it is important for consumers that a company share their values and stands for social issues. Also, it illustrates a new age of socially-conscious customer, where people expect organizations to implement CSR practices and respond to social movements.

# Chapter 2. Corporate social responsibility in the global fast fashion industry

## 2.1    The characteristics of fast – fashion

Because of the growing global population, customer purchasing power, increased demand and constantly changing fashion habits, consumption of clothing products has increased significantly over the years. The fashion sector is one of the biggest industries globally so, it is no surprise that it has a huge influence on today's world. This chapter introduces the worldwide clothing industry and explores CSR's role in it.

The textile sector is the world's second most polluting manufacturing industry (after the petrol industry). It contributes significantly to environmental emissions due to its use of materials, modes of transportation, and wastefulness. Consistently, tons of clothes are discarded each year (Rauturier, 2021). Those are the effects especially visible in the fast fashion sector which has a long history of being vilified for its unethical and environmentally damaging business practices. Those include overworked and underpaid workers, using toxic chemicals, creating substantial waste, violating human rights and fair-trade, non-renewable resource depletion, greenhouse gas emissions, and many others (CBC News, 2018).

Fast fashion is defined as the production and sale of affordable and fashionable clothes at a low cost, as opposed to luxury brands, which sell their goods at exorbitant prices that are out of reach for the average person. The word 'fast' can be defined in many ways, for example, the quick production and shipping or quick consumer's purchasing decision. These elements make fast fashion incredibly popular mainly because it is available for everyone at a reasonable cost. For instance, brands such as Zara or H&M have been around for many years and are still the biggest retailers providing high fashion designs that move swiftly from the runway to shops in order to keep up with changing trends thus, enabling them at low prices affordable to a great number of consumers (Idacavage, 2018). This section will further present the general idea and motivation behind the CSR policy in the fast-fashion industry.

## 2.2    The global impact of fast fashion industry

Clothing manufacturers and retailers have emerged as a major source of concern for environmentally and ethically conscious consumers. Clothes that are quickly mass-produced

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to ensure retailers have the newest trends, bears the brunt of changing views toward apparel consumerism and its negative effect on the environment and society (Thomas, 2019).

To keep afloat, the fast fashion industry depends heavily on low manufacturing costs and high sales volume, which it achieves by recruiting cheap labour to make trend-driven apparel made of low-cost materials that are only meant to last a season or two. For this reason, the fast fashion industry has outsourced labour to the world's poorest nations which resulted in high human cost. Workers are obliged to work long hours for little pay, suffer bad and dangerous working conditions, and have often been victims of workplace violence (Remy, Speelman, & Swartz, 2016). For instance, in June 2018, a worker's right organization 'Global Labour Justice' uncovered that cases of physical and sexual brutality, just as a boisterous attack, had been accounted for at 540 factories across India, Bangladesh, Cambodia, Indonesia and Sri Lanka, a large number of which supply the clothing brand 'Gap' (Whabi, 2020).

The fast fashion industry also has a harmful impact on the climate. According to the United Nations Environment Program, it is one of the most polluting sectors, accounting for almost 20% of annual industrial water pollution and 10% of global carbon emissions (Dwyer, 2019). Retail production also consumes a lot of natural resources and produces a lot of waste. The various materials used to make designs each have their own set of problems, whether it's the use of poisonous chemical dyes or the production of polyester clothes, which sheds small plastic microfibres that end up in the oceans when washed. Furthermore, the process of discarding clothes generates also a lot of waste. Nearly three-fifths of all clothes end up in landfills and incinerators due to a lack of adequate recycling procedures. Toxic chemical dyes and plastic microfibers pollute nearby water sources while also contributing to high carbon emissions, resulting in an ever-increasing carbon footprint (Ramli, 2019). Therefore, to encourage sustainable consumption and production processes and stop harmful social and environmental practices, numerous companies started implementing CSR policy in their management strategy which will be detailed described in the following sections.

## 2.3 CSR reporting in the fast fashion industry

All the unethical and ecologically harmful effects of fast fashion (described in the 2.1 section) seem to be slowly diminishing in some retail companies. As a number of leading European brands have already proven, both labour violations and waste problems can be addressed, if not fully eliminated, by implementing a CSR program (García-Sánchez & Araújo-Bernardo, 2020).

Many businesses started to realize the worldwide scale and reach of the fashion sector, consequently, a number of recent policies and activities have pushed for industry change and sustainability goals. As an illustration, the United Nations launched the UN Alliance for Sustainable Fashion in early 2019 which is a collaboration of agencies and institutions dedicated to achieving the 'Sustainable Development Goals'. The alliance promotes industry-wide collaborations and policies that decrease negative social and environmental consequences. Their work covers a wide range of topics, from production and distribution to t employee safety (UN Environment Programme, 2019). Since then, many brands entered an approach that aims to innovate for long-term sustainability.

More and more fast fashion brands demonstrate their socially responsible behaviour through different CSR marketing tools (detailed explained in the first chapter) to improve their image. Among them is the US sportswear giant Nike which dressed Tokyo 2020 Olympics competitors in outfits made of reused polyester. The retailer also plans to limit carbon emissions and waste by using 100% renewable energy to power its equipment by 2025, as part of a larger business goal (Thomas, 2020).

Some companies are also collaborating with other brands and non-profit organizations to reduce their overall impact. One of them is a major fast fashion brand Adidas which collaborated with Stella McCartney creating the line "Adidas by Stella McCartney," which centers around limiting waste and repurposing leftover fabrics. The Adidas corporation has also teamed up with Parley for the Oceans, a non-profit dedicated to raising awareness about ocean pollution. As a result of this collaboration, the brand debuted the world's first shoe made entirely of ocean plastic waste (Dominguez, 2020).

Another company currently at the forefront of fast fashion is Zara which is extremely conscious of its carbon footprint on the environment. Zara stores, for example, are intended to be environmentally friendly. For its heating and cooling needs, it takes the most of renewable energy. The firm also makes sure that all of the hangers in its stores are recycled. For illustration, paper accounts for 90% of their packaging and they use 10% plastic during the advertising, which is largely biodegradable (Thacker, 2021).

Some other fast fashion Polish retailer is LPP which manages five recognizable brands: Reserved, Mohito, House, Cropp, and Sinsay. Reserved, for instance, introduced the environmentally friendly 'Eco Aware' collection designed to reduce waste and optimize material consumption, including the search for renewable resources. What is more, their

children's Eco-Aware collection is planned to be produced entirely of organic cotton. Also, Mohito is socially conscious by hosting numerous charity events that address pressing global issues. Therefore, each item sold with the label 'Mohito Cares' is equaled to one tree planted as part of its ecological project (LPP. SA Group, 2019). The next section will focus on the CSR program in the H&M organization in more detail including three main pillars of corporate sustainability.

## 2.4 Analysis of CSR in H&M (Hennes & Mauritz AB)

### 2.4.1 The practice of CSR in H&M Group

H&M corporation has also taken action in implementing CSR policy in their strategy by publishing annual CSR reports since 2002 to identify successful CSR initiatives as well as the company's long-term sustainability goals. H&M, a Swedish fast fashion retailer, is one of the most well-known in the world. It operates in 62 countries and is the world's second biggest retailer, trailing only Inditex (the owner of Zara). Unlike them, H&M does not produce its goods internally but outsources its manufacturing to over 900 distributors worldwide, mainly in Europe and Asia who are supervised by 30 strategically placed oversight offices. Therefore, a brand has long been the target of widespread concern about the impact of fast fashion on the environment and the society. They have claimed to have democratized fashion since the company's inception with the aim of making it sustainable. With the help of technology and innovation, their sustainability vision is to use their size and scale for good, leading the shift to circular and renewable fashion while remaining a fair and equal business (Księżak, 2016).

To do so, they've devised an ambitious approach based on three key objectives as being circular and climate positive, fair and equal, and the aspect of supply chain management. All of those strategies will be thoroughly analysed in the upcoming subsections.

### 2.4.2 Circular & Positive approach

This strategy focuses on being climate positive by reducing the negative impact on the environment that comes from the process of manufacturing and distributing clothes. In relation to that, a giant fast fashion retailer has begun to focus on synthetic materials and non-biodegradable textiles, looking for more environmentally friendly alternatives to manufacture fabrics and recycle garments. H&M, the fast fashion retailer, has unveiled an environmentally

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conscious range, promising to use only recycled or recyclable cotton in its manufacturing (H&M, 2019a). Moreover, in April 2019, the brand also released its latest 'Conscious' range, which has a vision for a healthy fashion future, according to the company. Their objective is to make certain that every item of the line is made from a sustainably sourced fiber, such as 100% organic cotton, Tencel, or polyester (Roth, 2019).

Currently, it is estimated that 57% of the products are sourced or recycled in a more environmentally friendly way. Additionally, the brand raised the percentage of recycled content in their products from 1.4% to 2.2% in 2019, minimizing the number of new materials in our products. Interestingly, the brand used utilized the identical of over 325 million plastic PET bottles in their recycled polyester and continues to supplant routine polyester and nylon with reused choices nylon fiber fabric called 'Econyl®', whereas all swimwear was made from reused nylon and recycled polyester.[1]

To support renewable resources, H&M's Conscious Exclusive line for 2018, produced jewellery out of recycled silver to prevent the harmful effects of mining by recycling metals. The company also made a strategic investment in 'Moral Fiber', an American start-up creating a novel polyester recycling technology that will facilitate the whole process of recycling. Furthermore, in 2018 the H&M Foundation launched a recycling facility in Hong Kong, the primary of its kind, presenting the same way of reusing cotton and polyester by blending them to produce new materials (H&M, 2018). As for the long-term materials aim, the brand hopes to be able to source 100% recycled or other sustainably sourced products by 2030 (Newburger, 2020).

Another aspect that has a significant environmental impact on the environment is the packaging model, especially when plastic is used. Therefore, H&M is heading to a revolving framework that covers each component of the packaging value chain - design, manufacture, distribution, materials, processing, usage, reuse, and recycling. Their circular packaging plan, built together with the Ellen MacArthur Foundation, directs their approach and priorities in four areas: packaging elimination, circular design, content selection, and reuse and recycling. Also, the use of potentially hazardous chemicals in packing materials is limited by our packaging-specific restricted substances list (RSL) for manufacturers. A strong call to action has emerged as a result of the renewed global emphasis on eliminating single-use plastic. For

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[1] *Production*. (n.d.). H&M Group. Retrieved from
https://career.hm.com/content/hmcareer/en_cn/workingathm/what-can-you-do-here/corporate/production.html
(accessed 20.03.2021)

this reason, the brand is a member of the 'New Plastics Economy' initiative and the 'Global Commitment'. It also supports the Canopy initiative 'Pack4Good' and has signed the Fashion Pact which has an emphasis on reducing ocean pollution from plastic waste. And as for the company's packaging goals, they aim to eliminate packaging by 25% across the supply chain and make all packaging recycled, recyclable, or compostable by 2025 (H&M, 2019b).

The company's customers may also drop off discarded clothes to be recycled or reused by the retailer's campaign. H&M is well-known for its apparel sustainability campaigns. Almost every supermarket has a spot enabling their clients to drop off old clothing. As a result, the old clothes are either reused or recycled. According to the firm, none of them are thrown away. So far, the stores have acquired over 7600 tonnes of used clothing, which is roughly equal to 38 million t-shirts. Additionally, the waste produced in warehouses is also recycled (H&M Group, 2020). So, the idea suggests that clothes can't be thrown out, but recycled, from nature to raw materials, fabric and yarn manufacturing, clothing production, transportation, and sales to use. Their garment collection efforts resulted in the collection of 20,649 tonnes of clothing which is a 16 % improvement from 2018 (Wang, 2018).

Another crucial environmental risk is water which is in the top 10 global crises. For this reason, H&M's water strategy involves continuous measurement of the cumulative effect of water in the supply chain by using the WWF's water risk filter. They ensure the effectiveness of modern water treatment technologies for textile manufacturing processes and implement them to assist with wastewater recycling. Among the greatest brands advances in this area is the installation of water-saving appliances in 67 % of the stores or reduced output water use by 7% in comparison to 2017. Moreover, the brand wants to see water-efficient equipment installed in all of its facilities by 2025. Also, in 2018 their water-saving activities resulted in a 4.7 million m3 reduction in water use. The company also uses a rainwater collection method to catch, preserve, and use natural water supplies. For instance, in 2018 their Bangladeshi partner 'Hamza Textiles Ltd' collected 18.9 million litres of rainwater (H&M, 2018).

The majority of manufacturing processes in the apparel and design industry depend on water and chemicals. Therefore, to improve production the brand introduced Screened Chemistry as a tool for selecting the best possible chemicals. They already have 5,300 chemical ingredients on the optimistic list and 53 chemical manufacturers that use Screened Chemistry, and this list is constantly growing due to the collaboration with the chemical industry. What is more, 204 of the company's suppliers in China, Bangladesh, Pakistan,

Cambodia, Vietnam, India, Turkey, and Indonesia are now using the Environmental Pollution Evaluator (a platform to help suppliers evaluate and improve their chemical use and discharge). They are also a part of the 'Re-Tex' initiative that involves testing mechanically recycled cotton for restricted substances which helps to analyse and test recycled products (H&M, 2019b).

The H&M corporation is confident in taking the initiative of becoming climate positive. Hence, it focuses on reducing energy and decreasing emissions. For illustration, in 2018, they accomplished an 8.2 % drop in energy consumption per store square meter (2017: 2.7%), relative to the 2016 scenario (Statista, n.d.). Also, a variety of programs, such as changing actions and habits to discourage inefficient light intake, were largely responsible for the decline. These little steps had a big effect when taken at large. Furthermore, the company is progressively replacing all current lighting with LEDs, while phased-out high-intensity discharge (HID) lighting is being phased out. Replacement of older HVAC systems with newer technology has among others resulted in significant electricity savings, especially in the United States and Poland. In both 2017 and 2018, the US experienced a 5% decline, while Poland has seen a 20% decrease in the past five years (H&M, 2019b).

The brand also reduces greenhouse gas emissions at the factory level through management programs in Bangladesh, China, India, and Turkey. Their 2018 energy quality development projects in Europe, China, Indonesia, Vietnam, and Pakistan saved 633,587,214 kWh, resulting in a loss of 183,296 tonnes of GHG emissions. Moreover, renewable energy accounted for 96% of the power purchased. At Stockholm, headquarters were installed solar panels covering 800 m2 and a total of 105000 kWh of renewable energy is projected to be generated next year. Despite a 75% growth in the number of H&M group stores, they reduced the energy usage of its IT activities by 48%. This is primarily attributed to new capacity from solar panels and data center heat recovery. The initiative was limited to in-store, workplace, cloud, and data center IT systems. Consequently, they saved over 27 million kWh in total, which is the equivalent of 10.9 million kilograms of carbon dioxide and a EUR 4 million drop in energy costs (H&M Group, 2021, March 31).

Summarizing the environmental approach in H&M corporation, its CSR policy has definitely a strong position for the positive climate strategy. Based on its climate monitoring, H&M was one of 182 organizations that joined the climate change in 2019. The second-largest apparel retailer in the world was honored for its efforts to reduce carbon emissions, minimize climate threats, and promote a low-carbon environment. In 2016, the organization

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pledged to become environmentally positive through the entire supply chain by 2040, promising to eliminate more greenhouse gas emissions (H&M Group 2019). H&M also launched programs to explore new recycled fabrics, reimagined market models, and improved quality accountability for customers. The brand has been able to continue to develop its sales without increasing pollution thanks to an emphasis on shifting to circularity and changing the way goods are made, delivered, and used (Chen & Fang, 2019).

### 2.4.3 Fair & Equal approach

In the concept of CSR policy, not only the environment is the crucial factor but employees, as well. Accordingly, everyone associated with a particular company deserves to be treated fairly and equally and should be provided with a healthy and safe environment at the workplace. For this reason, the Fair & Equal program at H&M means upholding their principles and supporting human rights, both within and outside the business. Creating equal work, fostering diversity, and expanding our business in a sustainable manner are all priorities for the brand (H&M Group, n.d.b.).

Aspiring to be a fair and decent workplace to 177,000 employees as one of the world's largest fashion and design group, the main goal of being fair and equal has two components. The first of them is to provide fair jobs inside the company and in the supply chain, and the other is to fight diversity and inclusion. As for the first aim, the company's strategy is defined in their Human Rights Policy, which is based on the United Nations Guiding Principles on Business and Human Rights (UNGPs) and helps to manage any human rights threats (H&M, 2018).

To the biggest highlights in this area belongs among others updated and evaluated silent human rights concerns. It is focused on on-going due diligence and a current analysis of the most pressing human rights concerns. It includes countries, sources, procedures, and goods. The brand also created a guide to help prevent human rights violations during the production and procurement of artificial intelligence (AI) applications. Additionally, to ensure personal data security, the European Union General Data Protection Regulation has been thoroughly implemented through our activities, and it is continuing to improve its digital ethics policy by adding a human rights lens to new initiatives and applications. Moreover, their new 'Migrant Workers Fair Recruitment' and 'Treatment Guidelines' emphasize core criteria such as fee-fees and contracts, freedom of travel, privacy, and respect, as well as

barring business partners (such as vendors and labour agencies) from withdrawing employee documentation like passports (Hendriksz, 2021).

Another aspect worth mentioning in the case of an ethical workplace is migrant workers. Therefore, H&M began a new collaboration with the International Organization for Migration (IOM) to target and reduce the dangers of forced labour for migrant workers on a national basis. Furthermore, 178 national and global managers in the building, growth, logistics, and recycling departments obtained human rights training workshops from the company. Processes for due diligence, core issues, and migrant workers/modern slavery issues were among the topics discussed (H&M, 2019b).

Child labour is the next crucial issue in terms of human rights, especially in the fast fashion industry where it is a common occurrence. Consequently, 'Child Labour Policy' reaffirms the commitment to ensure that no children are working in H&M Company factories. They keep a close eye on enforcement and look at and correct any possible cases of child labour. To prove that, there was no incidents of child trafficking in their supply chain in 2019. The company also supports children's rights by raising salaries, our distributors help to ensure that parents have a healthy salary, which helps children whose parents work. Also, in one of their supplier's factories, the brand is working with the 'Centre for Child Rights' and 'Corporate Social Responsibility' (CCR CSR) in Myanmar to strengthen and grow young worker's life skills (Dickson & Warren, 2020, 103-124).

As being dedicated to building healthy and safe work conditions, H&M's approach to addressing this issue includes offering training and grievance mechanisms for co-workers to voice their complaints and flag problems. Interestingly, according to 'People Participation Pulses' (PEP), an annual H&M Company employee poll, 85% of respondents feel safe at their workplace. Via a range of locally adaptable events and training, an annual Global Health & Safety Week aims to increase health and safety consciousness among H&M Company staff. In 2019, the emphasis was on coordinating health and safety awareness through events, products, and with other local businesses (Baumann-Pauly & Jastram, 2018).

By providing equal and decent work prospects, the organization also promotes equity and diversity. For an illustration, in 2019 women held 76% of all H&M Company staff, and they filled 69% of management roles (2018: 74%, 72%). Besides, the gender gap on the Board of Directors was 67% female and 33% male (H&M, 2019b). Furthermore, they contributed to the responsible recruiting of foreign staff in Turkey's supply chain. Thus far,

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500 refugees have been hired, with the aim of increasing to 2,000 by 2025. Also, they launched a project in 13 factories in Bangladesh called the 'Women Worker Progression Programme' which seeks to provide female sewing workers with job development opportunities by encouraging them to assume supervisory positions after completing a specialized training program. What is more, the company keeps supporting a project in Indonesia that allows people with disabilities to work in our supply chain. The process includes eight facilities, with 165 disabled employees employed so far (Asare, 2020).

The company not only support human right and diversity policies but also does a lot for particular communities and society. When it comes to giving back to society and local societies, the organization is always searching for new opportunities to make the planet a safer place to live. Better career conditions are created by the organization. For example, it partners with UNICEF on the All for Children initiative in India and Bangladesh, providing 1.7 million children in those countries the ability to obtain an education, as schooling before the age of eight is particularly relevant. Moreover, H&M organizes workshops for cotton growers on how to cultivate cotton with less environmental effects, as well as vocational training for women from low-income countries, often supplying them with seed money to launch their own companies (UNICEF, 2018).

Via the H&M Conscious Foundation, the firm also makes one-time monetary contributions to organizations such as Save the Children and the Rana Plaza Donors Trust Fund. It also operates in-store programs in which a portion of the amount shoppers pay for an item of clothing is donated to a charitable cause, such as providing clean drinking water in Bangladesh or assisting Syrian refugees. H&M donates clothing to charities every year in addition to monetary donations. For instance, in 2014 the firm distributed approximately 4.6 million garments. In addition, they offer the 'Youth@Work' project which aims to tackle youth unemployment in South Africa's Western Cape. The initiative enrolled 40 young people between the ages of 18 and 20, who learned new skills in areas ranging from financial literacy to teamwork and strategic thinking (H&M Foundation, n.d.).

2.4.4   Supply chain management and outsourcing

For companies to understand their corporate social responsibility strategies, the supply chain model is extremely vital. Therefore, to promote their companies' relationships and communications with consumers and other stakeholders, supply chain executives should adapt

relevant CSR approaches to handle their supply chains in a more socially conscious way (Anderson, 2019).

Accordingly, H&M Group ensures that it is partnering with business partners who match or exceed the 'Sustainability Commitment's' minimum standards. To track and ensure compliance with these criteria, they use a risk-based auditing framework. In addition, they are improving distributor capability to deliver leading environmental and social activities through the 'Sustainable Impact Partnership Program' (SIPP) which is available to suppliers since 2016, beginning with commercial product manufacturers. Further, they improved SIPP scope including more cloth printing and dyeing suppliers, as well as expanding the SIPP approach that included non-commercial goods (NCG) suppliers in the sustainability evaluation. This new method was released in 2020. Suppliers are audited on a regular basis; on average, each factory is audited once or twice a year. H&M assesses their sustainability success using the Index Code of Ethics, which awards a cumulative score of 100 for good actions. All those policies provide the brand with a more in-depth view of supplier efficiency, as well as a constructive feedback loop of evaluation, root cause analysis, capacity creation, supplier ownership, and continuous improvement (Chen & Fang, 2019).

As for the most important H&M's highlights in the area of the supply chain, their Code of Ethics and Sustainability Commitment has been signed by 100% of our vendors. SIPP was introduced in 100 percent of retailer processing units and SIPP social self-assessment was performed by 1,596 provider teams, with 1,281 desktop or onsite validations. Moreover, the brand verified 2,188 minimum standards with suppliers in processing, cloth printing, and dyeing. Then, 28 cases of possible non-compliance with the Code of Ethics were closed (H&M, 2018).

Despite the fact that H&M's world-renowned creative staff is at the forefront of each season's production, the company does not own any manufacturing facilities. To get its huge range to market on schedule, the firm depends on outsourcing. Work starts a year in advance, and fashion trend predicting firms assist in forecasting further in advance. Consequently, outsourcing speeds the production and protects the environment against the creation of a large number of production plants. In terms of the care for the planet, the company also enter its sustainable supply chain to third parties, including competitors in the apparel industry. ' The project is called 'Treadler', and the organization hopes that cooperation would result in the growth of collective awareness in the apparel industry. They put greater orders for vendors that do well in terms of sustainability than for those who have poor social conduct. And

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before working together, prospective new collaborators are investigated. Until starting development or distribution, a new industry is evaluated for potential human rights abuses (Britt, 2020).

Another aspect is transparency which is being used to help socially responsible customers make smarter buying choices as the business transitions toward more ethical activities. H&M introduced a product history feature last year that tells shoppers where a garment was manufactured, which factory it came from, and how many people work there. In this way, consumers are aware of the origin and distribution of the product, and consequently, they can make more sustainable purchasing decisions. It's important to make educated choices and be assured that the things people own were created with transparency and sustainability in mind. Therefore, transparency, being honest and open about how and where goods are produced is a critical component of company efforts to become more sustainable. And this is why H&M was one of the first brands to post their supplier list on the website in 2013 (H&M Group, n.d.c).

H&M's detailed analysis offers a deeper explanation of how to handle CSR in the fast fashion industry. The local culture is enormous for the global company that exists in many countries around the world. As a result, their CSR initiatives can be seen all over the world. Since it does not manufacture its own clothes, it must ensure that the CSR principles are upheld across the whole supply chain. It also sees opportunities to introduce CSR by product and process improvements that can save money and the environment. As shoppers get more acquainted with sustainability and ethical procurement, H&M's supply chain practices have played a significant role in revolutionizing the fast-fashion supply chain. Although adhering to high sustainability requirements, the company's supply chain has resulted in decreased delivery dates and pollution (Jehanno, 2020, 35-40).

Summarizing the entire subsection above, fast fashion and in general, the apparel industries face significant obstacles in terms of corporate social responsibility. As a labour-intensive industry, it must demonstrate its concern for workers, their health and welfare, and the working conditions they face not only within the organization but also in the supply chain. Since the collaboration with manufacturers and consumers is becoming more relevant, supply chain management systems are becoming more important in the fashion industry. As a resource-intensive industry, it must prepare for depleting the planet's supplies while still minimizing environmental harm. Since the fast fashion industry uses a significant number of energy for production, it is crucial to manage waste effectively and reduce environmental

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effects. Both of these factors make the sector appealing for CSR considerations and demonstrate the sector's capacity for further growth in the direction of the socially responsible industry (Rizzotto, 2021).

## 2.5    Sustainable fashion creating a positive brand image

The word 'sustainable' has already been mentioned in the current section, mostly in terms of reducing the negative impact on the environment and society in the production and distribution processes. In general terms, sustainability works on addressing existing demands without jeopardizing fellow generation's ability to fulfill their own. The three foundations of sustainability are economic, financial, and social, also known as profits, planet, and people (Grant, 2020). So, in other words, sustainability inspires corporations to think about their choices in terms of long-term environmental, socioeconomic, and human effects rather than short-term benefits like for example, financial results.

Sustainable fashion thus entails not only the production of ecological and socioeconomically sustainable clothing, shoes, and accessories but also more sustainable use and usage habits, which necessitate changes in personal attitudes and behaviour (Henninger, Alevizou, & Oates, 2016). Accordingly, all the above-mentioned (in section 2.2) CSR approaches and strategies, improve a company's sustainability efficiency and promote more sustainable consumption and production habits. It proves that fast fashion brands have caught on to the green revolution, actively finding ways to integrate sustainability into their brand's image. Nguyen & Johnson (2020) called such a strategy a 'green marketing' and it means a marketing tactic in which businesses promote their goods or services by emphasizing their environmental activities or benefits. They use this tactic simply to stress out how their mission is more concerned about helping the world than with making profits.

Environmental protection has risen to the forefront of people's and company's priority lists all over the world and consequently, green branding became extremely beneficial to a company's image. Taking into account the research by Deloitte, customers are taking a variety of steps to buy and live more sustainably in 2020. They measured the most significant lifestyle changes and interestingly, reduction on single-use plastics was the most common means of promoting sustainability. Next was the search for labels with environmentally friendly values and reducing total spending on new items. Then, customers place a premium on ethical practices in the goods and services they purchase. While public awareness of climate change grows, one in every five people was opting for low-carbon transportation,

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converting to clean energies, or and the number of flights they take (Deloitte, 2020). Those data show that the consumer's habits focus on being eco-friendly and on a positive impact on the planet.

Young people are especially the target group when it comes to the affection of green marketing. They are usually more cautious about their money than previous generations. When they do invest, though, certain trends are emerging that support organic product. These customers tend to spend their money on products that promote pro-social messages, use environmentally friendly production methods, and follow responsible business practices. According to Shelton Group's latest survey, it's crucial for companies to take a stance on social issues. As per the 'Brands & Stands: Social Reason is the New Black' study, customers not only favour corporate advocacy (86% want corporations to stand up for social issues) but also are more likely to purchase from those companies (64%). Furthermore, 'Nielsen's Global Corporate Sustainability Survey' found that 66% of customers would pay more for a product if it was manufactured by a sustainable business. Up to 73% of the millennials interviewed

held this opinion. The young generation also requires businesses to announce their corporate citizenship openly, according to 'Horizon Media's Finger' on the Pulse report (Council, 2018).

In the light of those data, it is clear that consumers strongly support products that are environmentally conscious. They expect brands to be socially responsible and value such a practices. Therefore, the right marketing strategy to reach out to clients and show them what business is up to, is crucial to succeed and maintain a positive eco-friendly image. Consequently, it improves the overall brand perception of a business (Neumann, Martinez, & Martinez, 2020).

H&M analysis proves that the brand implements a variety of different CSR activities in its marketing strategy. Therefore, it is commonly known as one of the biggest and most visible sustainable fast fashion brands (Bojonca, 2019). Its image is constantly improving by working on newer CSR objectives thus, widening the sustainability picture of a company. Its commitment to CSR policy creates a positive and powerful image among their customers and encourage new ones with the mission of being conscious by offering fashion for everyone with values. So, in the case of H&M Group, its green marketing builds a whole new image of them as a sustainable brand.

# Chapter 3. Analysis of own research on the impact of CSR on the company's image

## 3.1    Introduction to research

In the previous part of the thesis, it was stated how corporate social responsibility is used as a modern management model of enterprise in terms of marketing. An analysis of the phenomenon of CSR as an element improving the company's image was also included. However, to confirm this hypothesis, it is essential to examine the opinions of consumers. That is precisely why a survey about the influence of CSR on a company's image has been conducted for this thesis.

The questionnaire is to collect data from 100 people living in different regions of Poland, taking into account different age groups, population in theirs place of residence, level of education and monthly income. This way will allow to compare the results among those different groups of respondents.

To learn customer's opinion, the quantitative method approach in the form of the survey will be used. The data will be collected through Microsoft Forms web application and spread online via social media and personal communication and messages with friends and family. The questionnaire comes in 2 language versions (English and Polish) to increase the customer base and allow respondents to take over the survey in their preferred language. It consist of 25 questions, wherein 20 concerns Corporate Social Responsibility issue and other 5 gather information about respondents. All of the questions are closed. They range from single answer questions (Yes/No) to multiple-choice and rating scale questions. Each of them will be followed by a graph that was personally made using Microsoft Excel software from the data that was received from the respondents in the next subchapters.

The goal of this questionnaire is to demonstrate that CSR activities can create a positive image within the fast-fashion industry on the example of H&M Group. The following research problems were posed by making the research issues more specific:

- What is the perception of consumers about CSR?
- What is the link between CSR strategy and company image?
- Does CSR influence consumer's purchasing behavior?
- Do people associate H&M Group as a socially responsible brand?

In addition, the table below associate research questions with questions in the questionnaire.

*Table 1. Connection between research questions and survey*

| Research Question | Survey Questions |
|---|---|
| **What is the perception of consumers about CSR?** | ✓ What is your level of knowledge regarding Corporate Social Responsibility? (qu. no.9)<br>✓ What makes company responsible in your opinion? (qu. no.10) |
| **What is the link between CSR strategy and company image?** | ✓ How CSR practices influence company's image in your opinion? (qu. no.13)<br>✓ How important is it to you that companies operate on a socially responsible level? (qu. no.12)<br>✓ What do you think is the most important reason for companies to get involved in CSR activities? (qu. no.19)<br>✓ Do socially responsible practices influence your image about company? (qu. no.11) |
| **Does CSR influence consumer's purchasing behavior?** | ✓ What information about the company would cause you to give up purchasing a product from this company? (qu. no. 18)<br>✓ If a company had a proven track record of poor CSR or disagree with your values, would you stop buying their products? (qu. no.17)<br>✓ Considering style, comfort and quality are the same, would you purchase socially responsible clothes if it costs more than what you would normally pay? (qu. no. 15)<br>✓ How much more would you be willing to pay for such a product? (qu. no. 16) |
| **Do people associate H&M Group as a socially responsible brand?** | ✓ What factor influenced you to buy H&M products? (qu. no. 21)<br>✓ Do you recognize H&M Group as a socially responsible brand? (qu. no. 20)<br>✓ Did you hear of any activities that H&M undertake to be socially and environmentally responsible? (qu. no. 22)<br>✓ What is you perception of H&M brand? How do you rate H&M brand image? (qu. no.24)<br>✓ How do you rate H&M brand image? (qu. no. 25) |

*Source: own elaboration*

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## 3.2 Characteristics of the research group

The survey lasted for 4 days ( from 16<sup>th</sup> of May to 19<sup>th</sup> of May) and was closed after receiving 100 respondents. The questionnaire was available online and no restrictions were made – everyone had a chance to fulfil the survey. It means that much diversified answers may appear in the analysis.

The analysis contains separate discussion of each question presented in an easy to assimilate diagrams but also shows correlation between them if results support or exclude each other.

In this subsection the research group will characterized in detail. To get a full research analysis, the first 5 questions concerned information about the respondents. The first question asked was about gender of the interviewees. The vast majority of the respondents were women, constituting 2/3 of all. They account for 63% of the respondents in relation to men whose share in the survey is 37% ( see Fig. 1).

*Figure 1. Gender of respondents*
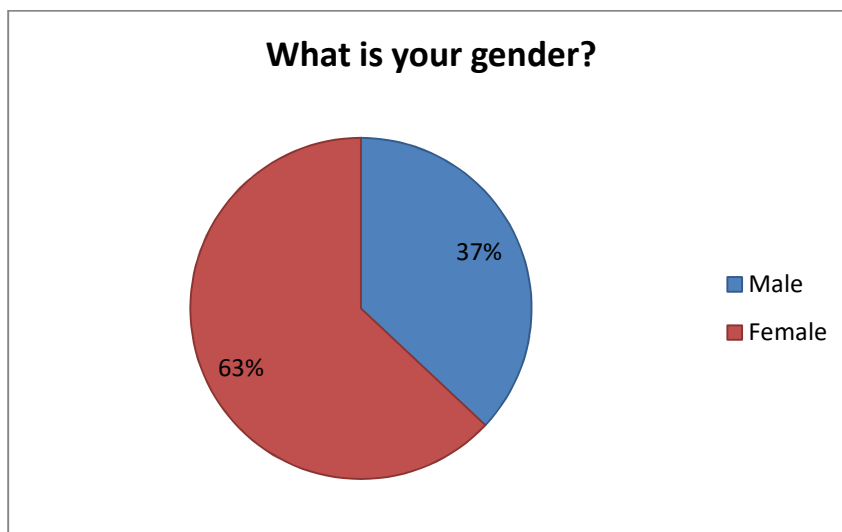


*Source: own elaboration*

The next personal question concerned the age of the interviewees. The age of the survey respondents was divided into 4 age groups as shown in Figure 2. The great majority, almost half of the respondents are people aged 19-25 which accounts for 47% of all people asked. Then, the second largest age group is in the range of 26-35, accounting for 20%. The next age group of the research range from 36 years and more, which constitutes 18% of all respondents. And the last specified group of respondents and at the same time the smallest is

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the age group up to 18 years, accounting for 15% of all people asked. These results indicate that the youngest were the smallest part of the research group and the young adults the largest.

*Figure 2. Age of the respondents*
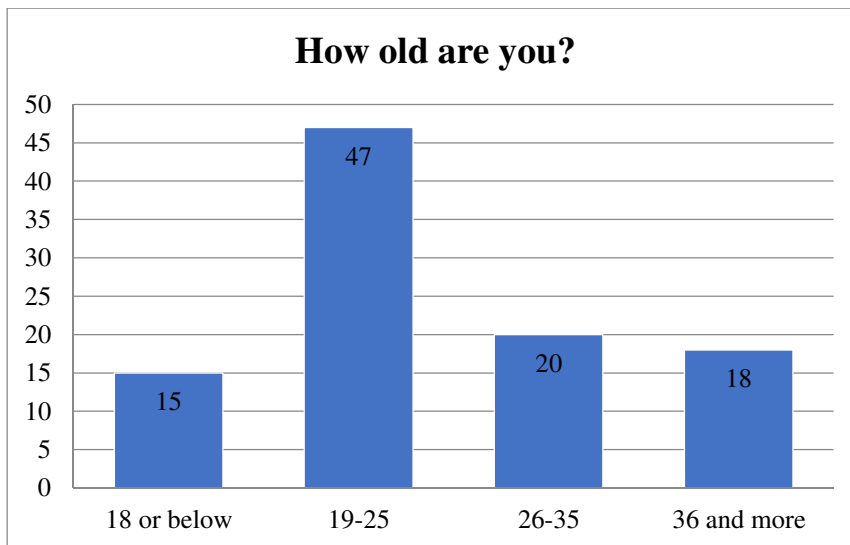


*Source: own elaboration*

The next stage of gathering information about the respondents was their level of education. And here as it is visible in Figure 3, the split is fairly even because 94% of respondents have either secondary or higher education . It is evenly distributed by 47% of interviewees having a secondary level of education and also 47% having a higher level of education. What is more, only 5% people asked have elementary education and 1% of them answered that have none. Summing up, the great majority of respondents is divided into those who have higher and secondary education.

*Figure 3. Education level of the respondents*
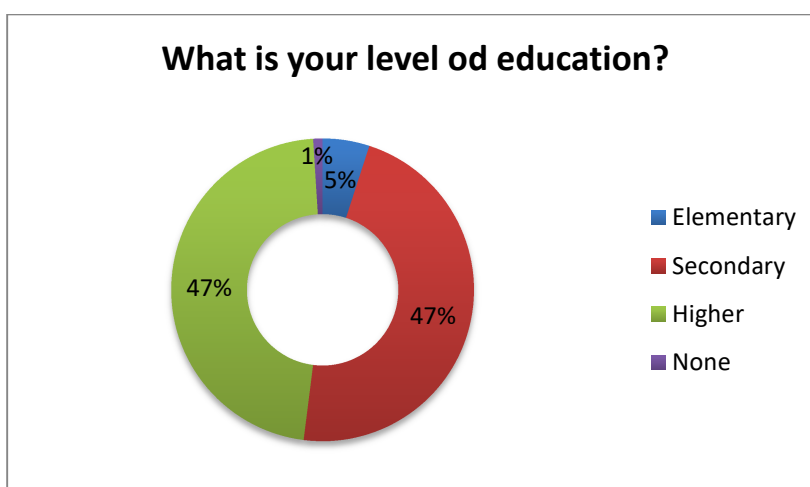


*Source: own elaboration*

The beginning of the survey also included a question what they do for a living (see Fig. 4). The respondents surveyed most often chose the option "I am student" (55%). And here among 47% of people aged 19-25 (see Fig. 2), 83% of them answered that they are still studying. Subsequently, the respondents declared being employed in the organization which accounted for 38% of all people asked (see Fig. 3). The least largest group during the study they were self-employed and unemployed people. Among them, 5% chose the answer "I run my own business", and only 2% of them declared that they are jobless.

*Figure 4. Occupation of the respondents*
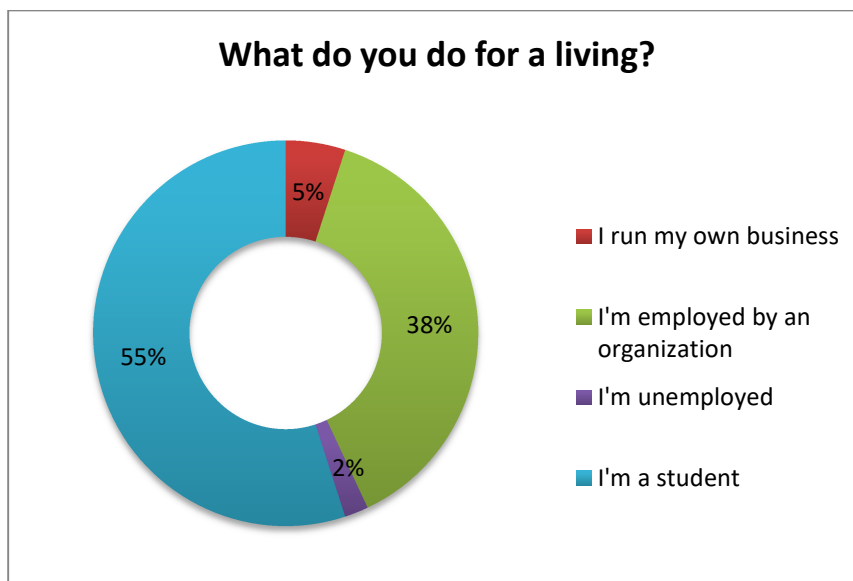


*Source: own elaboration*

The last introductory question collecting information about the respondents concerned their places of residence (see. Fig. 5). Village residents constituted the largest research group (45%). Behind them, the people living in medium-sized cities "20.00-100,000" which accounted for 23% of the total. Then there are people from big cities " >100.000" resulting in 17%. The least numerous group of representatives was the population of small towns below 20 thousand accounting for 15% of all people asked. Additionally, among 45% of those who live in a village, 69% of them answered "I'm a student" for question 4 (see. Fig. 4).

*Figure 5. Place of residents of the respondents*
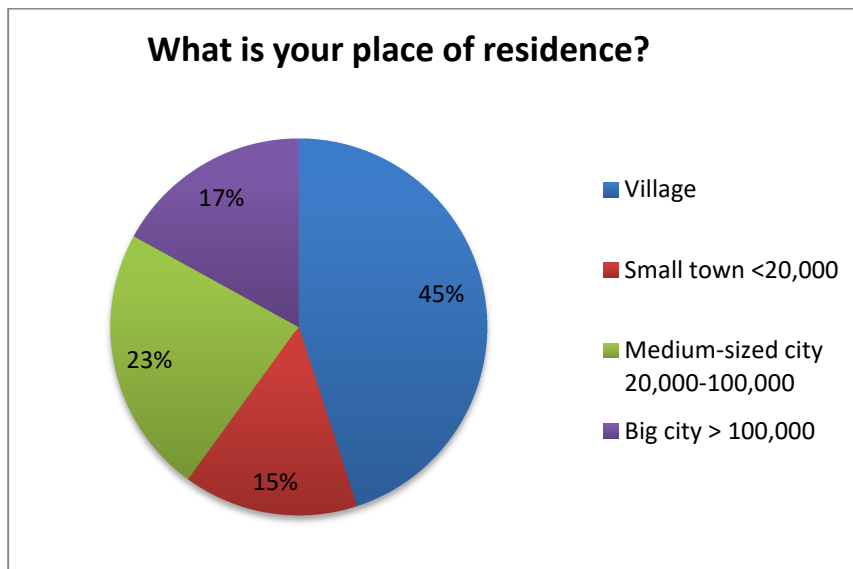


*Source: own elaboration*

## 3.3    Respondents' opinion on the image of Corporate Social Responsibility

The research group taking part in the survey was presented in the previous section. This part, in turn, presents an analysis of public opinion on CSR. Gathered results allowed drawing conclusions, which are presented in the conclusion part of the work. Therefore, to answer to four main objectives, presented in the purpose of this work the analysis is divided according to the research questions described in section 3.1.

During the research and analysis of the responses, some of them were also compared under in terms of gender, education, age of the respondents and other questions in the survey, and the relationships between them were shown. Each of them also stayed summarized in a general way.

### 3.3.1    H&M brand recognition

At the beginning of the analysis, the awareness of the H&M brand among the respondents was examined, which consists of the following 3 initial questions introducing a deeper analysis. The first two relate to the frequency of purchases in H&M and the third shopping preferences.

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In the first question, the respondents answered how often they shop at H&M (see Fig. 6). The seasonality of purchases was observed, where 50% of the respondents stated that they make purchases "seasonally" which proves that the respondents shop for this brand on a regular basis. The next chosen answer was the purchases made "yearly" (32%) and "monthly" (17%). Moreover, only 1% of all people asked chose the answer "weekly" for this question. It shows that most of the interviewees shop in H&M at least once a year, including half of them doing it regularly once a season.

*Figure 6. Frequency of purchases in H&M*
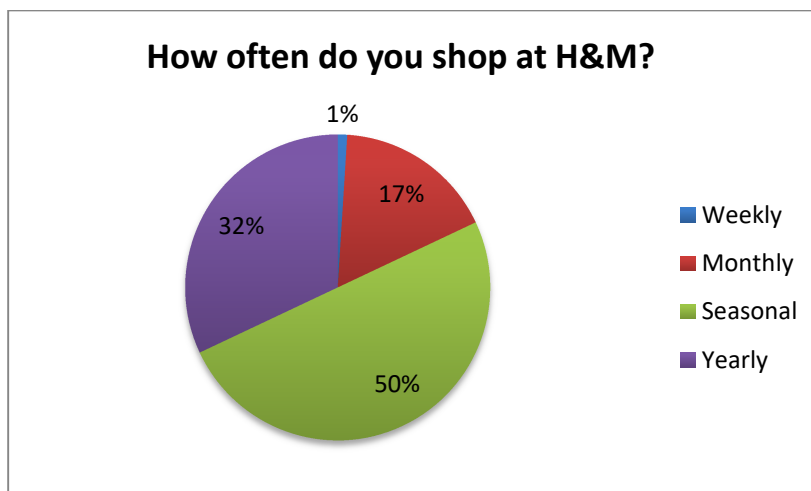


*Source: own elaboration*

In the second question, the respondents had to indicate when they last shopped in H&M (see Fig. 7). In this case, the results are very mixed and fairly even divisions between the 4 responses can be observed. The answer " sometime in the last 6 months" was given the most votes (28%). Then people chose the answer "sometime in the last year" (25%) and the answer "over a year ago" is right after it with the score of 24% of all people asked. And the last least chosen option was the answer "sometime in the last month" accounting for 23%.

*Figure 7. The last purchase in H&M*

**When was the last time you shopped at H&M?**



*Source: own elaboration*

The third question concerned the purchasing preferences of the H&M brand (see Fig. 8). In this case, the results are very uniform in which the public chose only 3 answers out of 5 given. The vast majority of respondents, because as many as 86% most often buy clothes. Some other respondents also chose underwear (8%) and accessories and shoes (6%). Moreover, none of the interviewees chose the answers sportswear and cosmetics.

Interestingly, "Clothes" chose 92% of respondents who are between the ages of 19 and 25 (see Fig. 2). In addition, 100% of people who run their own business (see Fig. 4), also answered "Clothes" for this question. The same answer chose 94% of people living in a "Village" (see Fig. 5). Similarly answered, 80% of those who do their shopping at H&M seasonally (see Fig. 6).

*Figure 8. Shopping preferences of respondents in H&M*

**What products do you usually buy at H&M?**
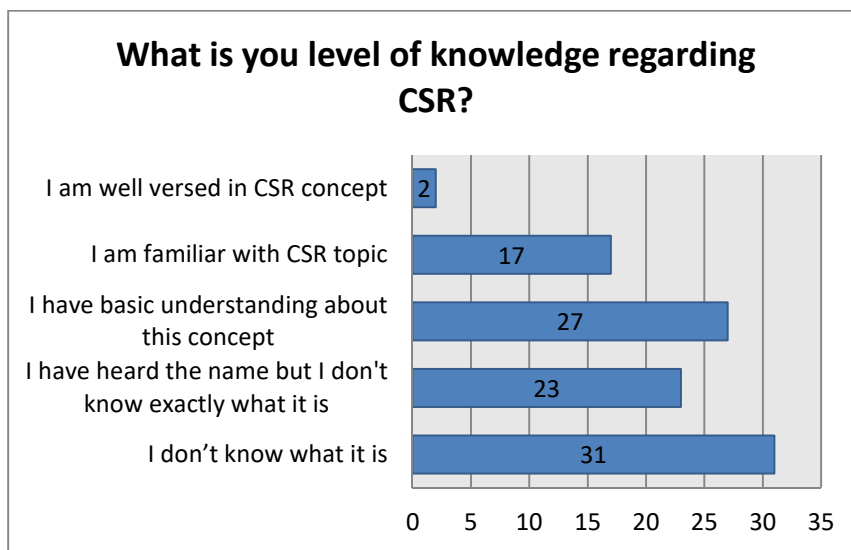


*Source: own elaboration*

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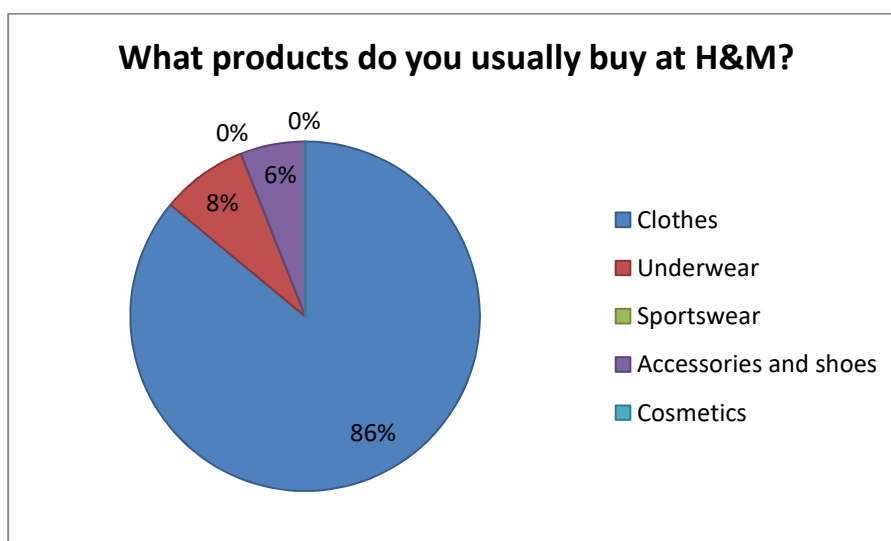
3.3.2    What is the perception of consumers about CSR?

In this subsection, the general the general public's understanding of corporate social responsibility will be present.

The first question asked in this category was about the level of knowledge regarding CSR (see Fig. 9). Here, the answers are also fairly spread over the 5 choices. Most of the respondents chose the answer "I don't know that it is" (31%). Interestingly, 94% of them answered "Clothes" for question 8 (see Fig. 8). The next one was the answer "I have basic understanding about this concept" (27%). The next most-chosen option was "I have heard the name but I don't know exactly what it is" (23%) and the majority of them because as many as 83% answered "I'm a student" for Question 4 (see Fig. 4).

What is more, 17% of respondents is familiar with CSR topic and only 2% of them is well versed in CSR topic. In addition, from that 2% of interviewees, 100% of them answered that they have "36 and more" years old for question 2 (see Fig. 2).

*Figure 9. The level of consumer knowledge about CSR*



*Source: own elaboration*

The next question was to examine what activities of the company are considered socially responsible by the respondents (see Fig. 10). And here most of them chose the answer "Respecting human rights" (30%) and "Offering good quality products" (24%). Then, people tend to choose "Following legal requirements" which accounted for 22% of all people asked. And as the next most frequently chosen answer they indicate "Being environmentally friendly" (17%). The least popular option was the answer "Getting involved in social

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campaigns" which only 7% of respondents chose. So, it is visible that the opinion on CSR activities are divided however, the results are relatively similar to each other.

*Figure 10. Understanding of CSR in the eyes of customers*
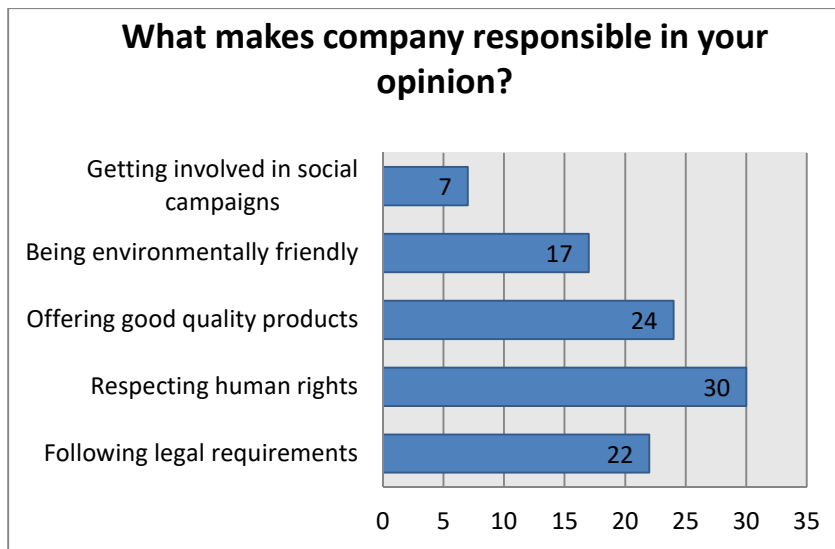


*Source: own elaboration*

3.3.3    What is the link between CSR strategy and company image?

In the previous subsection, the general knowledge of the respondents about the CSR subject was examined. Now, the relationship between the CSR strategy and the brand image will be presented.

The first question from this category relates to the last one (described in the subsection 3.2.2) and aims to check whether the above-mentioned CSR attributes affect the consumer opinion in some way. And here, the results are fairly uniform and transparent. The vast majority of respondents, as many as 93%, claim that CSR practices presented above (see Fig.10) affect the company's image. Therefore, it clearly shows that the visible CSR activities are not indifferent to consumers and mostly affect the perception of such a company. What is more, only 7% of respondents chose the answer "No" to this question, claiming that CSR activities do not affect their perception of the brand (see Fig. 11).

Moreover, from 47% of people who are between the ages of 19 and 25, 96% of them answered "Yes" for this question (see Fig. 2). In addition, 97% of respondents who have a status of student (see Fig. 4), answered "Yes" for this question. Also, 98% of people who live in "Village" (see Fig. 5) gave the same answer as well as 94% of those who do seasonal shopping at H&M (see Fig. 6). Similar answer chose 94% of people who usually buy

"Clothes" at H&M (see Fig. 8). Surprisingly, from people who don't know what CSR is about (see Fig. 9), 97% of them also picked "Yes" for this question.
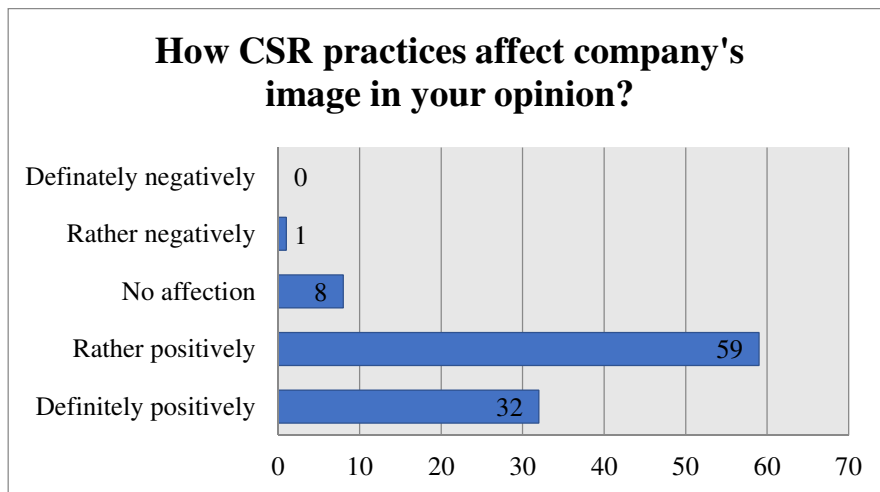
*Figure 11. The impact of CSR practices on the company's image*
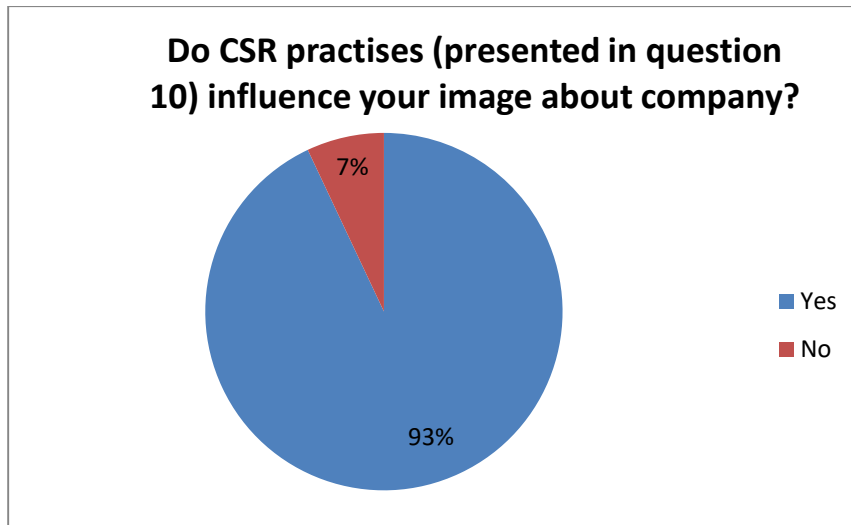


*Source: own elaboration*

The next question relates largely to the previous one and was aimed at examining the degree of influence of CSR on brand image (see Fig. 12). Interestingly, the vast majority of respondents decided that CSR has a positive influence on the brand's image. 59% of them chose the answer "Rather positively" while 32% went with "Definitely positively" which all together gives the number of 91% of all people asked. Moreover, 8% indicated "no affection" for this question and only 1 person answered that the effect is rather negative. However, none of the respondents chose the option "Definitely negatively". Summing up, over 90% of interviewees consider the image of a socially responsible company to be positive which confirms the research hypothesis.

*Figure 12. The degree of influence of CSR on brand image*

**How CSR practices affect company's image in your opinion?**

| Answer | Value |
|---|---|
| Definately negatively | 0 |
| Rather negatively | 1 |
| No affection | 8 |
| Rather positively | 59 |
| Definitely positively | 32 |

*Source: own elaboration*

The next question was to investigate how important it is for consumers whether or not the company operates on a socially responsible level (see Fig. 13). Here, the respondents had to choose their level of importance on a scale from 1 to 5. More than half of all people asked chose to answer "very important" (52%). Then, the most frequently chosen answer was "somewhat important" (28%) and subsequently "very important" (13%).

A definite minority of respondents answered negatively to this question because only 7%. Including, 5% of them chose the answer "not so important" and only 2 people answered "not at all important". Summing up, it can be observed that nearly 93% of people thinks that operating on a socially responsible level by company is important.

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*Figure 13. Importance of a company operating on CSR level*



**How important is it to you that companies operate on a socially responsible level?**
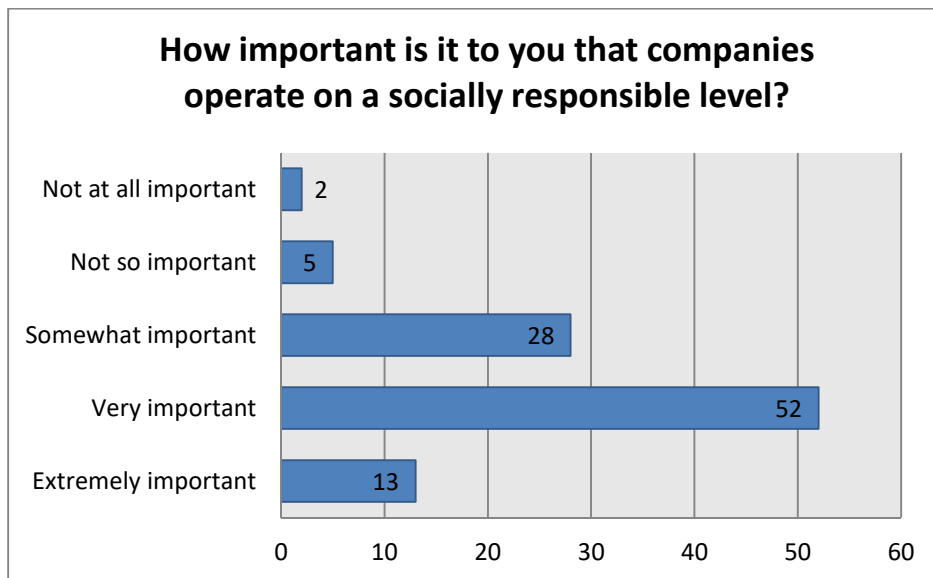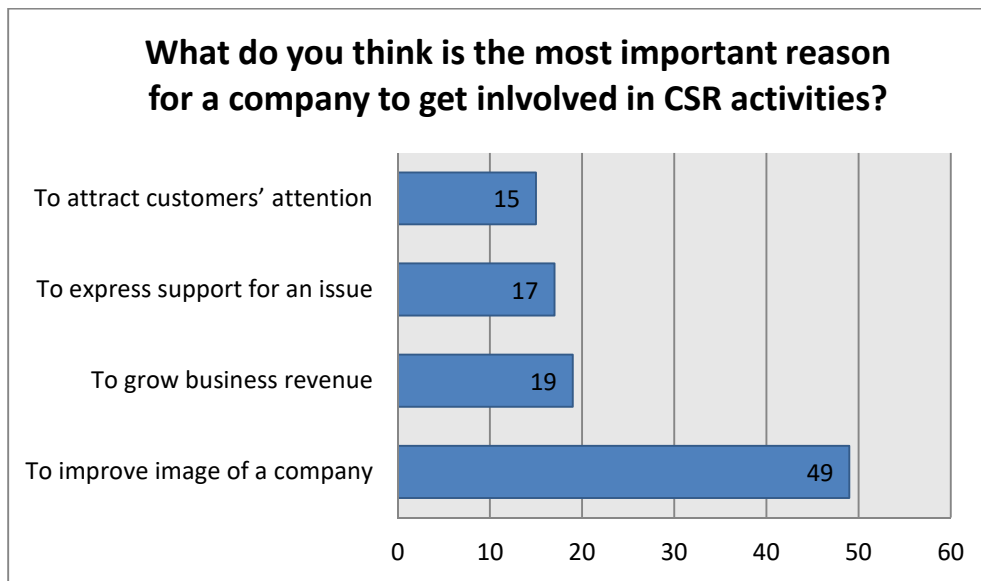
*Source: own elaboration*

And the last question from this group concerned the reasons for a company to get involved in CSR activities (see Fig. 14). The most frequently chosen reason for using CSR practices in the company was the improvement of the brand image (49%) which indicates almost half of all people asked. The other half of the respondents indicated the following responses. 19% of them chose the reason "To grow business revenue" and 17% answered "To express support for an issue".

In turn, the lowest number of votes was given to the answer "To attract customers' attention" which chose 100% of people who do their shopping at H&M weekly (see Fig. 6). Interestingly, 100% of people who are unemployed (see Fig. 4), answered "To improve image of a company" for this question.

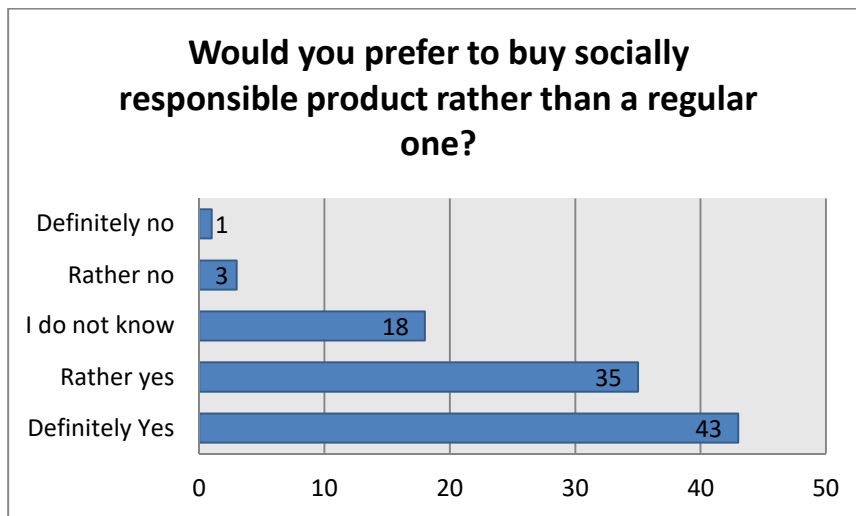*Figure 14. Reasons for getting involved in CSR activities*

**What do you think is the most important reason for a company to get inlvoved in CSR activities?**

| Category | Value |
|---|---|
| To attract customers' attention | 15 |
| To express support for an issue | 17 |
| To grow business revenue | 19 |
| To improve image of a company | 49 |

*Source: own elaboration*

3.3.4    Does CSR influence consumer's purchasing behaviour?

In this section, there will be questions to examine the relationship between CSR practices and purchasing choices. These questions are to determine whether CSR products are more willingly purchased by consumers.

The first 3 questions in this category were to examine the purchasing preferences of the public in terms of CSR products. To the first question in which the respondents had to answer whether they would prefer to buy a regular or CSR product, most of them chose the answer "Definitely yes" which accounted for 43% (see Fig. 15). Moreover, 35% answered "Rather yes" for this question. 18% of interviewees do not know what product they would choose or do not have opinion about it.

A definite minority because only 4% claims that they would not choose socially responsible product over the regular one. Including, 3% of them answered "Rather no" and only 1 person "Definitely no". Summing up, it can be observed that nearly 78% of respondents would rather buy socially responsible product than an usual one.
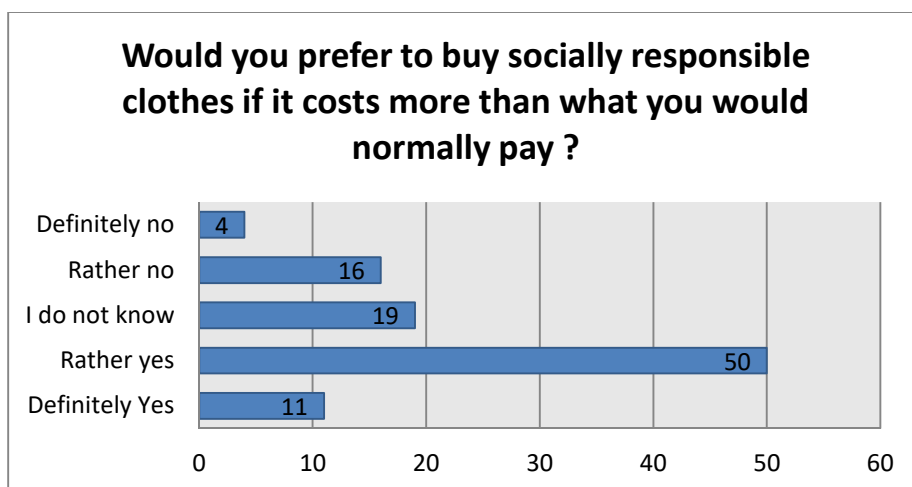
*Figure 15. Purchasing preferences for CSR products*

**Would you prefer to buy socially responsible product rather than a regular one?**

| Answer | Value |
|---|---|
| Definitely no | 1 |
| Rather no | 3 |
| I do not know | 18 |
| Rather yes | 35 |
| Definitely Yes | 43 |

*Source: own elaboration*

The next 2 questions are closely related to each other. In the first one, respondents had to choose on a scale of 1 to 5 if they would purchase socially responsible clothes if it costs more than what they would normally pay (of course considering style, comfort and quality were the same). Interestingly, more than half of all people asked (61%) is able to pay more for a cloth knowing it was made in socially responsible environment. Equally half of them (50%) chose the answer "Rather yes" for this question and 13% said "Definitely yes". Furthermore, 19% of respondents do not have opinion about this matter and 20% claims they would not pay more for such a product. What is more, 16% of them answered "Rather no" and 4 people "Definitely no" (see Fig. 16).

*Figure 16. Willingness of paying more for CSR clothes*

**Would you prefer to buy socially responsible clothes if it costs more than what you would normally pay ?**

| Answer | Value |
|---|---|
| Definitely no | 4 |
| Rather no | 16 |
| I do not know | 19 |
| Rather yes | 50 |
| Definitely Yes | 11 |

*Source: own elaboration*

Then, interviewees who answered affirmative for the previous question (61%) had to decide how much more would they be willing to pay for such a product (see Fig. 16) and the vast majority preferred the answer "5 – 10%" which accounted for 47% of all. The second most frequently chosen percentage range was "11 – 20%" chosen by 19 people. Moreover, 5 people has chosen a range "21 – 40%" and last 2 are willing to pay more than 40% more (see Fig. 17).

Interestingly, all people (100%) who run their own business (see Fig. 4), answered "5 – 10%" for this question. The same answer chose 100% of respondents who are well versed in CSR concept (see Fig. 9).

*Figure 17. Additional percentage range for purchasing CSR clothes*
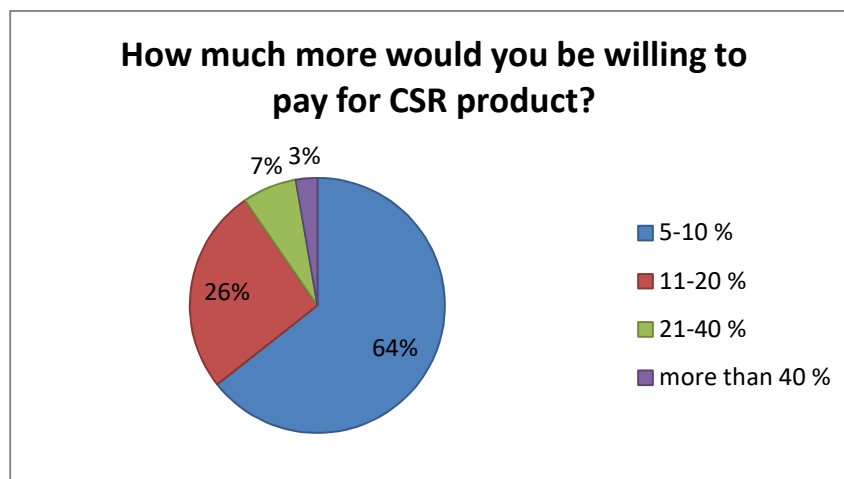


*Source: own elaboration*

The next 2 questions relate to poor CSR track record. In the first of them, the respondents had to answer whether the company's failure to apply the CSR principles or disagreeing with their values, would stop them from buying their products (see Fig. 18). The better part of interviewees answered in the affirmative (68%) and the other replied in the negative (32%).

Interestingly, from 68% of people who answered "Yes" for this question, the majority because as many as 84% of them usually buy "Clothes" at H&M for (see Fig. 8). And what is more, 100% of them thinks that socially responsible practices influence image about company (see Fig. 11). In addition, 71% of respondents who are between the ages of 19 and 25 (see Fig. 2), answered "Yes" for this question. In addition, 100% of unemployed respondents (see Fig. 4) also said "Yes" for this question. The same answer for this one chose 78% of people who live in a "Village" (see Fig. 5).

*Figure 18. Poor record of CSR vs. purchasing behaviour*
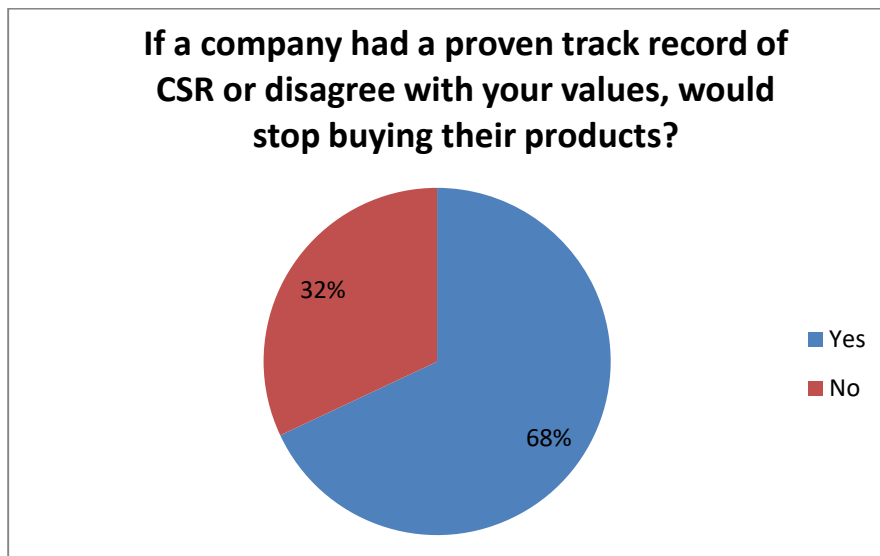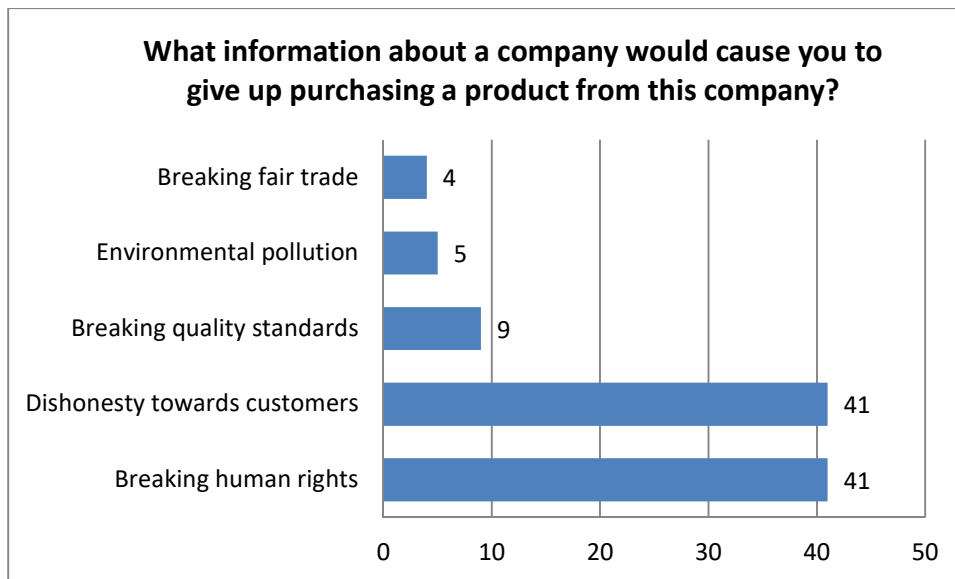


*Source: own elaboration*

The second question, which is also the last of this group, was to investigate what information about the company would induce the public to stop purchasing products from this company (see Fig. 19). There is clearly an even division between the two most-chosen answers. According to them, majority of respondents (82%) would give up purchasing products from a company which is dishonest towards consumers or breaks human rights. Each of these responses separately obtained 41% of the votes. Interestingly, from those who answered "Breaking human rights" for this question, 98% of them claims that socially responsible practices influence company's image (see Fig. 11). Another dependence can be observed in people who answered "Dishonesty towards customers" where 91% of them usually buy clothes at H&M (see Fig. 8).

The remaining 3 answers on the question received definitely fewer votes. 9% of respondents chose "Breaking quality standards", 5% answered "Environmental pollution" and only 4 people "Breaking fair trade". The answer "Breaking quality standards" chose 100% of people who do their shopping at H&M weekly (see Fig. 6).

Moreover, from 5% of people who chose environmental pollution for this question, 100% of them would stop buying products from company which has a proven track record of poor CSR or disagree with their values (see Fig. 18). Additionally, from 4% of people answered "Breaking fair trade" for this question, the majority of them (75%) bought something at H&M "Sometime in the last 6 months" (see Fig. 7) and is between the ages of 19 and 25 (see Fig. 2). Also, 75% of them thinks that companies get involved in CSR activities to

improve their image (see Fig. 14). Interestingly, majority of people who run their own business (see Fig. 4) answered "Breaking human rights" for this question (80%).

*Figure 19. Reasons for giving up purchasing from a company*
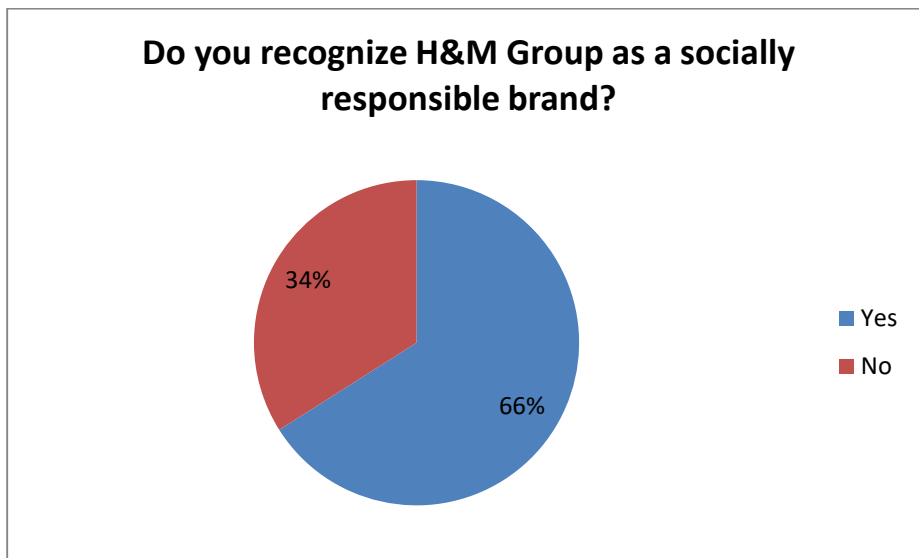


*Source: own elaboration*

### 3.3.5 Do people associate H&M Group as a socially responsible brand?

The previous parts of the analysis examined the general knowledge of CSR among the respondents and its impact on the brand image and consumer buying behaviour. This subsection aims to investigate whether public opinion associate H&M Group as a CSR fast-fashion brand and what is their image of this company.

In the first question, the respondents had to answer if they recognize H&M Group as a socially responsible brand. Interestingly, the majority, because over half of the interwieviees chose the answer "Yes" (66%) and the rest (34%) answered "No" (see Fig. 20).

In addition, almost all respondents who thinks that socially responsible practices influence image of a company (96%) also answered "Yes" for this question (see Fig.11). So, it can be observed that people who associate H&M as a CSR brand, are also aware of its impact on the image. What is more, 86% of people who gave the same answer, usually buy "Clothes" at H&M (see Fig. 8). Similarly, 73% of them would stop buying from company which has poor CSR record or disagree with their values (see Fig. 18).

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*Figure 20. Identifying H&M brand as a CSR brand*



*Source: own elaboration*

The second question in this category was intended to investigate what factors influenced respondents to buy H&M products (see Fig. 21). And here, over a half of respondents most willingly chose the answer "Low prices" which accounted for 58% of all people asked. Then, they tend to choose "High Quality of products" (20%) and "Social influences" (13%). Moreover, only 9% of people was influenced by "CSR reputation of the brand". Therefore, it can be observed that most of the respondents pay attention to the price when shopping and only a small fraction of them pay attention to other factors such as quality, CSR or social influences.

*Figure 21. Factors behind buying in H&M*



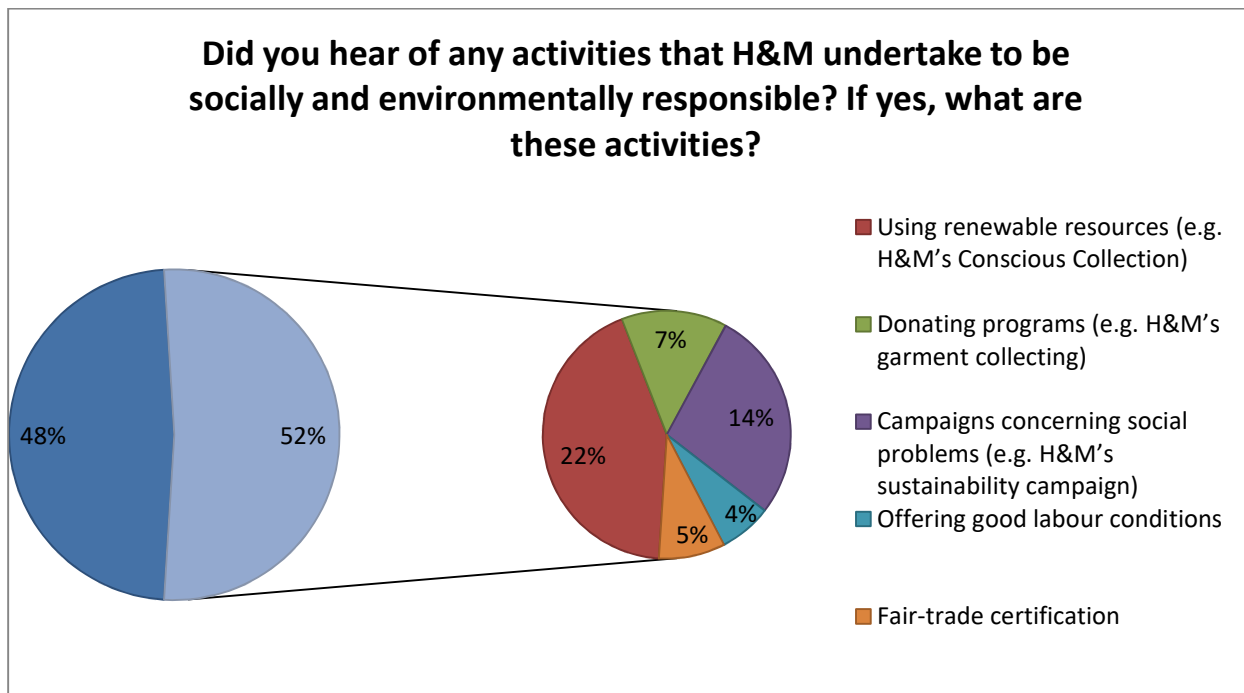*Source: own elaboration*

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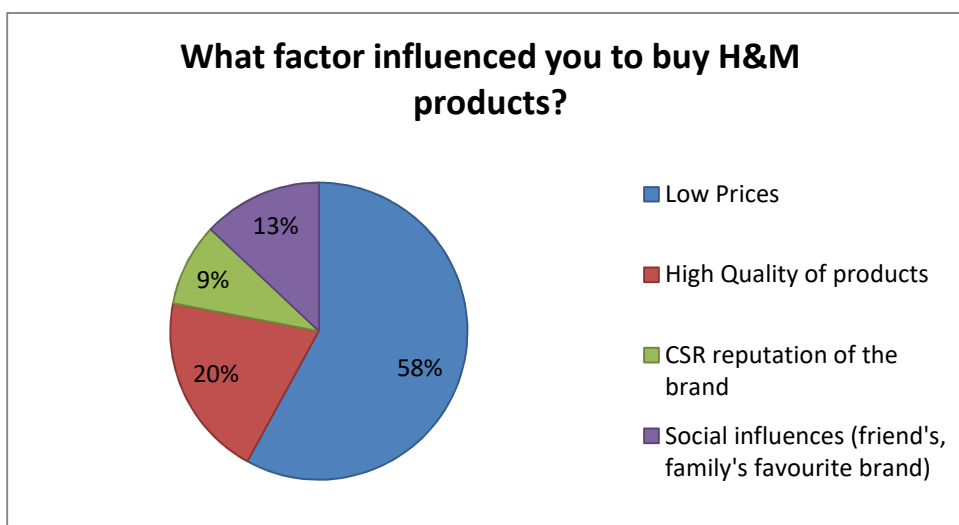
Next 2 questions are closely related to each other therefore, are shown on 1 chart concerning H&M undertaking CSR activities (see Fig. 22). In the first part of the question, respondents had to answer whether they heard of any activities that H&M undertook to be socially and environmentally responsible. The results for this question are quite divided. Around half of the respondents (52%) answered affirmatively for this question and 48% replied in the negative.

Moreover, several dependencies were found in this part. What is the most important, from 52% of respondents who answered "Yes" for the first part of this question, 97% of them claims that CSR practices affect company's image (see Fig. 11). Interestingly, the same answer gave 83% of people who consider H&M as socially responsible brand (see Fig. 20). Similarly answered 79% of respondents who would stop purchasing from a company with poor CSR image (see Fig. 18).

Afterwards, those who answered "Yes" in the first part of the question had to choose what were these activities in the second part. The responses also included some real-life examples of a company to make it easier for respondents to choose and specify the general term behind them. There is a clear division between all 5 answers. However, the most frequently chosen activity that respondents associate with the image of  H&M are "Using renewable resources" (22%) and "Campaigns concerning social problems" (14%). Then, they chose the answer "Donating programs" (7%), "Fair-trade certification" (5%) and lastly "Offering good labour conditions" (4%).

*Figure 22. Recognition of H&M's CSR activities*



*Source: own elaboration*

Another question from this category concerned respondent's general perception of H&M brand (see Fig. 23). Most of them has a "Positive" impression of the company (45%) or is "Neutral" towards it (38%). What is more, 13% of respondents has "Very positive" perception of the brand. Only 4 people chose the negative answers whereas 2 of them has "Negative" image and the other 2 "Very negative". So, overall impression of H&M Group is either positive or neutral in most cases.

*Figure 23. Respondent's perception of H&M*
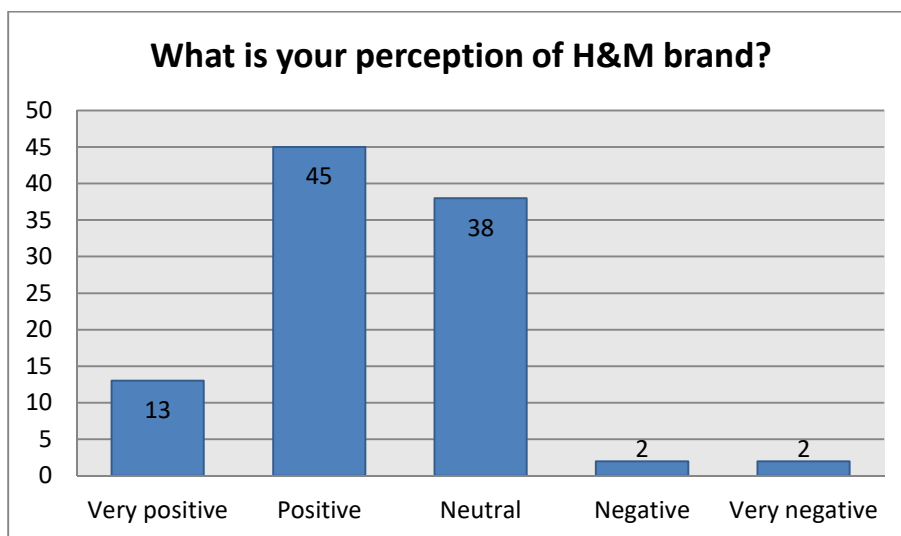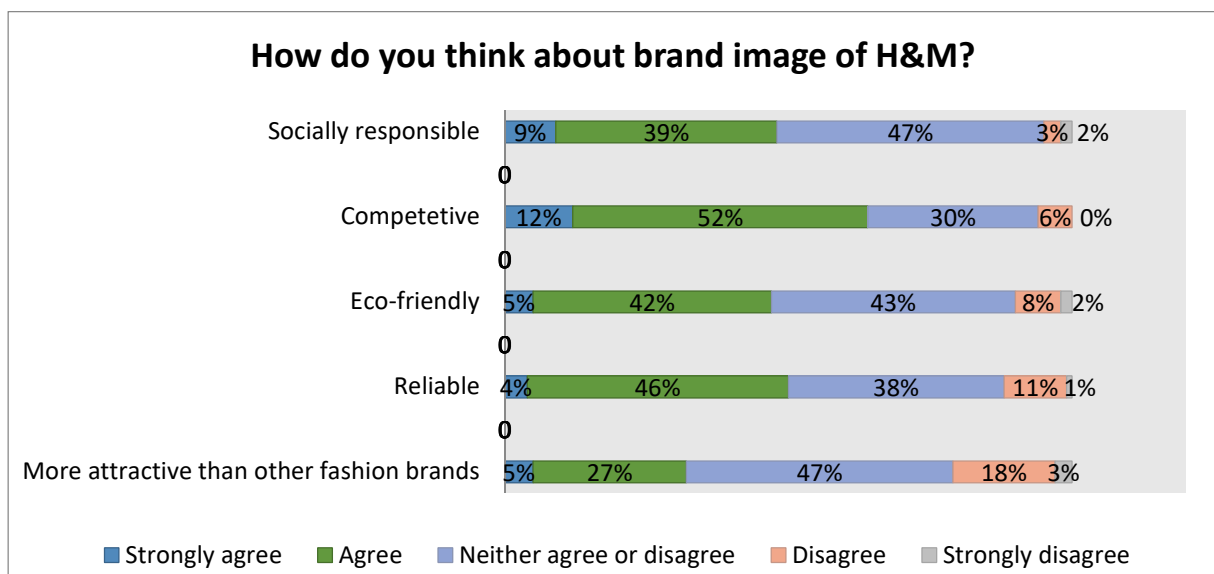


*Source: own elaboration*

Finally, the last question from this area which is also the last question of the survey analysis concerned was aimed at examining the public opinion on the image of H&M in terms of 5 factors (see Fig. 24). The respondents had to assess the compliance of each of the given categories on a scale from 1 to 5. The first asked category was CSR image of H&M and here respondents most willingly chose the answer "Neither agree or disagree" (47%) and "Agree" (39%). Only 5% of people replied negatively, including 3% who answered "Disagree" and 2% "Strongly disagree". The rest of them, "Strongly agree" with this image (9%).

The second factor is competitive image of company, with which most of the respondents (52%) agree with. Then, 30% of them do not have an opinion and 12% strongly agree with the statement. Only 6% of all people asked disagree with this image and none of them strongly disagree. Next factor which relate to the first one is eco-friendly image and here 42% of respondents agree with it which is a little bit more than in the CSR image. Also, less of them (43%) "Neither agree or disagree". However, more of them disagree with the image (8%) and the answer "Strongly disagree" has the same number of votes (2%).

Furthermore, with the "Reliable" image of the brand agree 46% of respondents and 38% do not have opinion. With the image disagree 11% of all people asked and 1 of them strongly disagree. Only 4 people strongly agree with this image. And the last category is being H&M being more attractive than other fashion brands with which most respondents neither agree or disagree (47%). Moreover, 27% of them agree with this image and 5% strongly agree whereas 18% disagree with it and only 3% strongly disagree.

*Figure 24. Brand image analysis of H&M*



*Source: own elaboration*

# Conclusion

In this dissertation, an attempt was made to prove the positive effect of the application CSR tools in the process of creating the image of the company. The dissertation intended to achieve the goal of the presentation and analysis of socially responsible activities in general and then directly in fast fashion industry, including H&M Group in terms of image building among consumers. This study shows both theoretical issues the problem in the form of the history of shaping and definition of the contemporary model a socially responsible enterprise, the activities it undertakes marketing, taking into account the elements of CSR. Thesis additionally includes the CSR concept in the fast fashion industry, its characteristics, influence and real-life examples. A detailed analysis of the H&M brand in terms of building it's CSR image is also presented. The dissertation also includes a research part on the analysis of the impact of CSR on the brand image on the example of H&M Group and own research.

In individual chapters, efforts were made to deepen one's knowledge and relate it to the hypothesis. The first part was to trace and describe the evolution of the concept and how it is perceived by formulating different social definitions business responsibility. Later in this chapter, reference was made to the role of CSR in marketing and the impact of stakeholder relations in the light of research. The next stage was to define the role of CSR as an element building the brand image and its importance, as well as the consumer's approach to this topic. The second chapter presents the concept of CSR in the fast fashion industry. Here the subject of fast fashion and its global impact as one of the largest industries was presented. Just like in the previous chapter focused on relations with consumers and tools used so far. In the next part of the second chapter there is also a detailed analysis of CSR activity based on an example of H&M Group. Additionally, each of the CSR categories has been separately specified and presented. The last part of this dissertation was the study quantitative employing a survey conducted and available on the Internet . The main conclusions that come to mind after writing of this thesis belong:

1. Majority of respondents are aware of the CSR concept, having at least basic understanding of it.
2. Understanding the meaning of the CSR differs among respondents. The vast majority think of it as respecting human rights and offering good quality products.

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3. The conducted research and other research results cited by the literature confirm the hypothesis put forward at the outset. The vast majority of respondents believed that corporate social responsibility included in the strategy of the company has a positive effect on the company's image.

4. Socially responsible activities within the company have a greater and better impact on the way consumers perceive the company.

5. The vast majority of consumers prefer to buy socially responsible products rather than a regular ones and some of them are even able to incur higher costs by choosing the company's product widely regarded as socially responsible.

6. Information about the social commitment of the company offering its products affects to a small extent on consumer purchasing decisions. The main meaning apart from the price, it has quality and image.

7. H&M Group is widely regarded as a socially responsible company with a positive image, but customers associate it mainly with low prices, reliability and competitiveness in fast fashion industry. Only a small part the respondents are primarily guided by their knowledge of this social responsibility companies.

Summarizing this work, it can be noted that consumers are aware of the impact of social responsibility tools in the process of creating a positive corporate image. Although in Poland, potential recipients are not yet guided by the process products and services considering them in terms of liability social, but the overall image of the company is important to them. So, indirectly, the idea of corporate social responsibility influences the behaviour of buyers.

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## List of Figures

## Appendix: Survey

Part 1

1. What is your gender?
   - male
   - Female

2. How old are you?
   - 18 or below
   - 19-25
   - 26-35
   - 36 and more

3. What is your level of education?
   - Elementary
   - Secondary
   - Higher
   - None

4. What do you do for a living?
   - I run my own business
   - I am employed by an organization
   - I'm unemployed
   - I'm a student

5. What is your place of residence?
   - Village
   - Small town <20,000
   - medium-sized city 20,000 -100,000
   - Big city >100,000

2021

Part 2

6.    How often do you shop at H&M?
- Weekly
- Monthly
- Seasonal
- Yearly

7.    When was the last time that you shopped at H&M?
- Sometime in the last month
- Sometime in the last 6 months
- Sometime in the last year
- Over a year ago

8.    What products do you usually buy at H&M?
- Clothes
- Underwear
- Sportswear
- Accessories and shoes
- Cosmetics

9.    What is your level of knowledge regarding Corporate Social Responsibility (CSR)?
- I don't know what it is
- I have heard the name but I don't know exactly what it is
- I have basic understanding about this concept
- I am familiar with CSR topic
- I am well versed in CSR concept

10.    What makes company responsible in your opinion?
- Following legal requirements
- Respecting human rights
- Offering good quality products
- Being environmentally friendly
- Getting involved in social campaigns

11.    Do socially responsible practises (presented in the question no. 10) influence your image about company?
- Yes
- No

The next 4 questions are constructed in Likert scale type, please rate one of the following answers on a scale from 1 to 5.

12. How important is it to you that companies operate on a socially responsible level?
 - Extremely important
 - Very important
 - Somewhat important
 - Not so important
 - Not at all important

13. How CSR practices affect company's image in your opinion?
 - Definitely positively
 - Rather positively
 - Definitely negatively
 - Rather negatively
 - No affection

14. Would you prefer to buy socially responsible product rather than a regular one? (e.g. fair trade, no child-labour, use of renewable & reusable materials etc.)?
 - Definitely Yes
 - Rather yes
 - I do not know
 - Rather no
 - Definitely no

15. Considering style, comfort and quality are the same, would you purchase socially responsible clothes if it costs more than what you would normally pay?
 - Definitely Yes
 - Rather yes
 - I do not know
 - Rather no
 - Definitely no

16. If you answered yes in the question no. 15, how much more would you be willing to pay for such a product?
 - 5-10 %
 - 11-20 %
 - 25-50 %
 - more than 50 %

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2021

17. If a company had a proven track record of poor CSR or disagree with your values, would you stop buying their products?
   - Yes
   - No

18. What information about the company would cause you to give up purchasing a product from this company?
   - Breaking human rights
   - Dishonesty towards customers
   - Breaking quality standards
   - Environmental pollution
   - Breaking fair trade

19. What do you think is the most important reason for companies to get involved in CSR activities?
   - To improve image of a company
   - To grow business revenue
   - To express support for an issue
   - To attract customers' attention

20. Do you recognize H&M Group as a socially responsible brand?
   - Yes
   - No

21. What factor influenced you to buy H&M products?
   - Low Prices
   - High Quality of product
   - CSR reputation of the brand
   - Social influences (friend's, family's favourite brand)

22. Did you hear of any activities that H&M undertake to be socially and environmentally responsible?
   - Yes
   - No

23. If you answered yes in the question no. 22, what are these activities?
   - Using renewable resources (e.g. H&M's Conscious Collection)
   - Donating programs (e.g. H&M's garment collecting)
   - Campaigns concerning social problems (e.g. H&M's sustainability campaign)
   - Offering good labour conditions
   - Fair-trade certification

2021

24. What is your perception of H&M brand? Please rate the answer on a scale from 1 to 5.
- Very positive
- Positive
- Neutral
- Negative
- Very negative

25. How do you rate H&M brand image? Please rate the most appropriate status of each of the following answers
- More attractive than other fashion brands
- Reliable
- Eco- friendly
- Competetive
- Corporate socially responsible