Major Research Project

The Loyalty Dividend of Going Green: A study to understand Consumer responses to Sustainable Brand Extensions

Submitted By

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CERTIFICATE

This to certify that SHRUTI, roll number 2K22/DMBA/120 a student at Delhi School of Management Delhi Technological University has worked on a research project title titled "The Loyalty Dividend of Going Green: Understanding Consumer Response to Sustainable Brand Extensions " in the partial fulfilment of the requirement for the award of the degree of Master in Business Administration program for the academic year 2022-2024.

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DECLARATION

1 hereby declare that the project work entitled "THE LOYALTY DIVIDEND OF GOING GREEN: UNDERSTANDING CONSUMER RESPONSE TO SUSTAINABLE BRAND EXTENSIONS" submitted to the Delhi School of Management, is a record of an original work done by me under the guidance of Dr Shikha N Khera and this project work is submitted in the partial fulfilment of the requirements for the award of the degree of Master of Business Administration. I declare that this research is my own, unaided work. It has not been submitted before for any other degree, part of degree or examination at this or any other university.

ACKNOWLEDGEMENT

EXECUTIVE SUMMARY

The fashion industry, a major consumer force and the world's second-biggest polluter, grapples heavily with sustainability. Fast fashion, the dominant model, thrives on rapid trend response and low prices, fueling high consumption and short product lifespans. However, a growing eco-conscious consumer base is pushing these brands to integrate sustainability into their offerings. Green branding, achieved through green brand extensions (GBEs), is a popular strategy. GBEs leverage existing brand recognition for new, eco-friendly products. These extensions fall into two categories: green line extensions (GLEs) and green category extensions (GCEs).

The Loyalty Dividend of Going Green: Understanding Consumer Response to Sustainable Brand Extensions" is the subject of a major research project that investigates consumer perceptions of sustainable clothing lines offered by fast-fashion retailers such as Zudio and H&M. The study probably looks into how aware consumers are of sustainability initiatives and how that information affects how they see the company's new sustainable line. The purpose of the questionnaire was to gauge respondents' opinions regarding a range of statements related to characteristics such as sustainability awareness, existing sentiments (loyalty, brand image) toward Zudio and H&M, and sustainability claims.

The purpose of the report is to see if there are any significant correlations among the many factors that have been examined. The report also aids in our comprehension of the degree to which the relationship between the variables may be explained.

The impact of a consumer's preexisting brand perceptions—whether favorable or unfavorable—on how they perceive the sustainable line has been examined by the researchers. In order to effectively sell their sustainable clothing lines, these fast-fashion businesses may want to consider leveraging their current brand image, as suggested by the study's conclusion.

We have determined the degree of interrelatedness between the numerous factors under discussion by correlation. Out of the three dependent variables, productivity and adapting to hybrid work have the strongest link, whereas engagement has the lowest. The study evaluated fast fashion consumers' views and behaviors toward the four specified sustainable marketing strategies—Climate Compensation, Recycle for Reward, Recycled Materials, and Sustainability Labels—using a quantitative research methodology. The collected data is then examined using four regression techniques to search for possible correlations.

The results show that, when it comes to sustainability labels, there is a considerable correlation between how customers perceive a plan and the actions they do in relation to it. This implies that marketers must exert effort to raise awareness of their sustainable brands. If they can convince consumers that the products with labels are indeed sustainable, more people will purchase them. Furthermore, the results show that consumers think recycled materials are the most environmentally friendly kind of advertising.

In addition, this study looks at Zudio's strategy for increasing brand recognition in a cutthroat industry. Zudio has emerged as a leading brand in the market for reasonably priced clothing. Researchers looked into Zudio's brand awareness tactics using a variety of techniques, such as social media research and questionnaires. Their conclusions highlight the elements that support Zudio's strong brand awareness and devoted clientele. Academics and marketing experts who wish to comprehend how brand awareness functions in the fast-fashion sector will find this research to be beneficial. According to the survey, Zudio's success can be attributed to a mix of its high-quality items, reasonable prices, and active internet presence. Other companies operating in the same market segment may find these data useful in creating more effective brand awareness campaigns.

Customers are pressuring businesses to take action about sustainability with greater vigor. But there is a difference between people's stated values and their actual actions. Although this "attitude-behavior gap" in fashion has been studied, no one has particularly examined it for traditional firms that provide sustainable solutions. This study looks into whether or not H&M customers experience this disparity. The study verifies the gap and pinpoints its origin using interviews, in-store observations, and previous research: H&M's inadequate dissemination of its eco-friendly initiatives. Consumers are deterred from supporting H&M's sustainable solutions by their ignorance and misconceptions. The report offers "nudge theory"-based tactics to assist H&M in closing this gap and motivating consumers to match their beliefs and behaviors.

CONTENTS

CHAPTER 1 – INTRODUCTION

"With a good product based on ecological concerns, the potential for a marketer seems to be impressive."

The fashion industry, a global powerhouse valued at $2.5 trillion, has long been dominated by the fast-fashion model. This model prioritizes rapid trend cycles, low prices, and high production volumes to keep pace with ever-changing consumer desires. However, this approach has come under increasing scrutiny for its significant environmental and social costs. The industry is now facing a critical juncture, driven by a growing consumer awareness of sustainability issues.

Consumers, particularly younger generations, are increasingly concerned about the environmental and social impact of their clothing choices. Investigative journalism exposing the human rights abuses and environmental damage within fast-fashion supply chains has further fueled this awareness. Movements like Fridays for Future and Global Climate Strikes highlight the urgency of addressing climate change, a concern amplified by recent research indicating continued consumer interest in sustainability despite the pandemic. This shift in consumer behavior is reflected in a surge in searches for "sustainable goods" globally. The split-weekly work style is a popular choice among businesses, where employees can work in remote mode for a few of the days in the entire weekly working duration and the work from the office set-up for the rest of the period of the week. This model enables the human resource to maintain an equilibrium amongst the virtual tasks and the in-person collaboration, making it an ideal choice for businesses that require regular face-to-face meetings.

Recognizing this changing consumer landscape, fast-fashion brands are adopting "Sustainable Brand Extensions" as a strategic response. It involves launching new product lines or categories marketed as more environmentally or socially responsible. Examples include H&M's "Conscious Collection" and Zara's "Join Life" and Indian brands like Zudio. This strategy allows brands to capitalize on their existing brand recognition while attracting eco-conscious consumers.

1.1 Background

Consumers are driving the "green" movement in the clothing industry. They've become more aware of environmental issues thanks to education and media coverage. Concerns about climate change and resource depletion have made sustainability a major trend across many industries since the 1970s The market for eco-friendly products has exploded, growing from $209 billion in 2011 to $845 billion in 2015. Sustainability is no longer a niche concept; it's a core value shaping society, with social fairness, economic responsibility, and environmental protection all playing a role. As a result, clothing companies are jumping on the bandwagon to meet these changing consumer demands.

Globalization and technological advancements have played a huge role in the development and promotion of fast fashion. With the creation of technology and the internet, information is now delivered to consumers at a pace faster than ever. The consumer market is flooded with constant advertisement and new trends, making the consumer feel like they need to constantly spend money to stay trendy.

This has also made it much easier for corporations and small clothing lines to gain global recognition due to simple access to an online market to showcase and sell their clothing. With cheaper labor and production costs overseas and the ability to showcase the clothing to so many people globally, this has allowed manufactured clothing to be produced at the pace we see today in fast fashion. This outsourced production often escapes any real thorough regulation of work safety and work wages; issues including the recent building collapse in Bangladesh that killed over 500 people and the constantly heard sweatshop workers making minimal earnings a day. In countries like China and Bangladesh, fast fashion has served as an economic godsend to help the less fortunate citizens earn money, but the actual benefits are slim given the conditions, and there are various negative impacts on the environment and society around the world.

1.1.1 Fashion industry and Sustainability

Fast fashion's dominance is a major problem. Fast fashion relies on cheap production, low prices, and high volume to get trendy clothes to consumers quickly. This has led to: Clothing production has doubled since 2000, but clothes are worn much less now. Half of all fast fashion is thrown away within a year. The fashion industry is the world's second-biggest polluter, responsible for vast amounts of CO2 emissions and water usage. Textile dyeing is a major culprit. Workers, mostly women, are often exploited in garment production. They earn low wages and work in unsafe conditions for long hours. The industry is resource-intensive. Fashion is the third-largest global manufacturer, employing over 60 million people. However, production is often outsourced to developing countries where labor costs are low. Workers are underpaid and overworked. The future looks like more of the same. The global population is rising, and clothing consumption is expected to grow by 63% by 2030.

1.1.2 Identified Fast Fashion Sustainable Marketing Strategies

This study explores four prominent sustainable marketing strategies employed by fast fashion brands:
This strategy involves offsetting the environmental impact of products or the brand's overall operations. Examples include H&M, NA-KD, and Nelly.com offering climate compensation on deliveries or for their businesses as a whole.
Brands develop and utilize their own sustainability labels to communicate their eco-conscious efforts. Examples include H&M Conscious, KappAhl's Future Friendly Fashion, and ZARA's Join Life. This strategy incentivizes recycling by offering discounts to customers who bring in used clothing for recycling at stores. Brands create collections featuring products made from recycled materials. Monki and Weekday are examples of brands offering such collections. However, this strategy is often limited to specific product lines within a brand.

1.1.3 Green Brand Extensions and the Importance of Brand Loyalty

Fast fashion companies are increasingly using green branding to improve their image and attract eco-conscious consumers. This strategy involves creating eco-friendly product lines (green brand extensions) under their existing brand names.
Two types of green brand extensions are used:

Green line extensions (GLEs): These are new product lines within the existing category, but with a focus on sustainability. Examples include Zara's Join Life collection made with sustainable materials and Adidas' collaboration with Parley for the Oceans using recycled plastic.

Green category extensions (GCEs): These introduce a completely new product category that's eco-friendly. For instance, Lindex, a clothing retailer, launched a line of baby room décor made from recycled materials, expanding beyond just clothing. While brand extensions have pros and cons, the growing demand for sustainable products makes green branding a valuable strategy. Consumers are becoming more environmentally aware, and companies need to adapt to maintain customer satisfaction and loyalty. Strong brand equity, built through positive customer experiences, is key to achieving this. Since attracting new customers is expensive, keeping existing ones happy is crucial, especially in competitive industries like fashion.

1.1.4 Drivers for Sustainable Branding

Fast fashion companies are facing pressure to become more sustainable. This chapter explores the reasons behind this shift. Branding is key for differentiation and customer loyalty. Strong brands can command higher prices and attract more customers. Sustainability is a growing concern for consumers, so incorporating it into branding can be a competitive advantage.
There are two main drivers for sustainable branding: internal and external. Internal drivers are voluntary, such as a desire for cost savings or a commitment to environmental responsibility. External drivers are pressures from outside the company.
External drivers can be grouped into five categories:
Government regulations: Laws are being passed that affect the fashion industry, such as restrictions on chemicals and requirements for supply chain transparency.
Market pressures: Industry groups and sustainability rankings are putting pressure on companies to clean up their acts.
Social pressures: Non-governmental organizations (NGOs), social media, and a more environmentally conscious society are all demanding change.
Financial resources: While not a major factor yet, some banks and insurers may consider a company's sustainability practices when making decisions.
Environmental factors: The fashion industry relies on natural resources like water and cotton, and climate change threatens these resources. Companies are starting to see the need for sustainable practices to protect their own supply chains.

1.1.5 Main Age Groups of Fast Fashion Consumers

Two important consumer groups:

Millennials (Gen Y):
Large, educated, and influential consumer segment. Brand-loyal and influenced by social media. Make purchase decisions based on personal experiences and a sense of social responsibility. Skeptical of marketing claims and seek transparency from brands. Willing to spend more on sustainable fashion.

Gen Z:
Highly informed and tech-savvy.
Make purchase decisions based on price, social impact, and online trends. Open to alternative shopping methods like rentals and second-hand stores. Value brand authenticity and transparency. ess brand-loyal and create their own personal brand identity.

Both generations are interested in sustainability, but they approach fashion choices differently. Millennials are willing to pay more for sustainable options, while Gen Z prioritizes affordability and seeks alternative ways to stay on-trend. Brands need to understand these differences to effectively target each group.

1.1.6 Consumer Behaviors from a Sustainability Perspective

Many consumers say they care about sustainability, but their actions don't always reflect that. There seems to be a gap between what people think they know and what they actually know about sustainable clothing. Studies show consumers often lack:
Knowledge of the clothing industry's environmental impact. Many people don't understand the true cost of fast fashion. Awareness of how to make sustainable choices. Consumers want to be more eco-friendly, but they're not sure how. Transparency from brands. Fast fashion companies often don't provide enough information about their practices.

Here are some reasons why the gap exists:

Consumers are overwhelmed by the shopping process. Price, style, and convenience often trump sustainability concerns. Sustainable clothing can be hard to find. It may not be readily available or as trendy as fast fashion options. This disconnect between attitudes and actions is a major challenge for the fashion industry. Brands need to find ways to educate consumers and make sustainable clothing more accessible and appealing.

1.1.7 The Importance of Long-Term Brand Extension for Fast Fashion

Because the fast fashion business produces a lot of textile waste and uses a lot of water and energy throughout the production process, it has significantly contributed to environmental deterioration. Furthermore, the industry's use of unethical labour methods has sparked worries about possible human rights abuses. Fast fashion's sustainable brand extension has come to light as a possible remedy for these problems.

1.1.8 Benefits of Sustainable Brand Extension in Fast Fashion

Environmental Responsibility: Fast fashion's environmental impact can be lessened through sustainable brand extension. This can involve using recycled or organic materials, reducing water and energy use during production, and implementing responsible waste management practices. These actions can significantly shrink a brand's environmental footprint.

Enhanced Customer Connection: Today's consumers are increasingly conscious of sustainability and seek out brands that share their values. Sustainable brand extension allows fast fashion brands to attract environmentally and ethically-minded customers. This can lead to stronger brand loyalty and a more positive consumer perception.

Standing Out from the Crowd: Fast fashion is often associated with negative environmental and social impacts. Sustainable brand extension allows companies to differentiate themselves from their competitors. By emphasizing their commitment to sustainability, brands can create a unique selling proposition and attract a niche market of eco-conscious consumers.

Future-Proofing the Business: Investing in sustainable brand extension prepares fashion companies for the future. Consumer preferences are shifting towards sustainability, and regulations are likely to follow suit. By proactively integrating sustainable practices into their business models, brands can ensure their long-term viability and stay relevant in the changing market.

H&M's initiatives

H&M first introduced sustainability into its brands' operations in 2002 with the promise to its stakeholders that it would act ethically in its community while working with multiple stakeholders throughout the value chain to improve social and environmental standards at every level of operations. Since then, the company has been committed to being transparent about its sustainability and ethical initiatives and has been publishing a detailed report on each of its initiatives and progress every year. In each of its relevant reports published over the years, the company has highlighted how it addresses all sustainability issues and ethical concerns with the help of its primary stakeholders, or as it puts it, "engaging changemakers." It appears that the company has maintained this commitment to improve its social and environmental efforts over the years, as its sustainability and ethical key performance indicators (KPI) have been increasing each year.

The organization takes its moral responsibility seriously and works to improve the ethical standards of its products through strong relationships with its suppliers, various policy makers and relevant NGOs such as the ILO, the IOM and the UN. The H&M group is using its influence, size and scale to promote inclusive growth and equality across its value chain with the aim of contributing to a more just and equal world. This is achieved through systematic assessment processes within its supply chain to identify and address human rights concerns, as well as programs to improve wages and ensure that all workers within its supply chain are heard. In 2019, the fair-wage program included workers involved in 88% of its production volume, while the democratically elected worker representation initiative included workers involved in 85% of the company's production volume. These 'Fair and Equal' initiatives, as the corporation calls them, do not include the company's own employees, as they have adopted the same approach for their own operations.

H&M is making progress on environmental issues by working with suppliers, employees, and customers. Their use of recycled and sustainable materials has jumped from 9% in 2012 to 57% in 2019, and they're using 96% renewable energy. Their "Conscious Collection" features sustainable clothing, but customer demand is crucial for its expansion.

Similarly, H&M's "Take Care" program offers garment repair services and tips to extend clothing life, while their "Recycling" program incentivizes customers to donate or recycle old clothes. However, the success of these initiatives hinges on customer participation. This research focuses on whether a gap exists between H&M customers' positive attitudes towards sustainability and their actual engagement with these programs.

Zudio initiative

Brand awareness is essential in today's fast-paced and highly competitive retail environment. It's the foundation upon which brands build their credibility and customer loyalty. Zudio, one of the fastest-growing retail brands in recent years, is a case study in brand awareness. The company is part of Trent Limited, one of the biggest names in retail. Zudio has carved out a niche for itself by providing affordable yet fashionable clothing options to a wide range of customers. Its rapid growth and expansion highlight the value of brand awareness for modern businesses.

In this introduction, we're going to dive deep into the topic of brand awareness in Zudio. Over the course of this study, we'll look at how pricing, product quality and marketing initiatives, as well as customer engagement, all contribute to the overall perception of the brand among consumers. By looking at the journey of Zudio, we can gain valuable insight into the strategies used by this particular brand, as well as broader lessons for businesses working in the fashion retail industry.

1.2 Problem Statement

- This study explores how Gen Y & Z consumers perceive eco-friendly efforts (GBEs) launched by fast fashion brands.

- A key focus is understanding how GBEs influence consumer decision-making, particularly regarding the role of sustainability in their choices.

1.3 Objectives

- To examine how customers in the rapid fashion sector react to sustainable brand extensions (GBEs).

- To assess how well GBEs are working to encourage sustainable business practices in the fast fashion sector.

- To determine what elements, affect how fast fashion consumers react to GBEs.

- To suggest marketing plans that work well and promote long-term brand extensions.

1.4 Scope of Study

This study focuses on established fast fashion brands, known for their frequent collections and low prices, that are implementing green brand extensions (GBEs). These brands, despite their environmental and social impact, offer a unique opportunity to investigate consumer response to sustainability efforts within a traditionally unsustainable industry.

1.5 Limitations

Brand Focus: We will only consider established fast fashion brands actively pursuing GBEs, excluding other fashion companies.

Sustainability Focus: The research will primarily investigate environmental sustainability through GBEs, acknowledging the indirect influence on social and economic factors. Other CSR practices by these companies are excluded.

Consumer Focus: We will target Gen Y and Z consumers residing primarily in Europe for the majority of their lives, with a potential bias towards Swedish and German respondents due to the researchers' backgrounds.

CHAPTER 2 - LITERATURE REVIEW

Existing research underpins any scientific investigation, fulfilling two vital functions. First, it allows us to bridge the gap between our current study and relevant past projects, building upon the established knowledge base (Ghauri & Grønhaug, 2010). By reviewing prior research findings (Boote & Beile, 2005), we can situate our own investigation within the broader context of the field. This historical perspective helps us understand how past studies have shaped current understanding and identify areas where further exploration is needed.

Second, a comprehensive review of the literature provides a framework for critically analyzing the results of our current study. By contrasting our findings with those of prior investigations (Boote & Beile, 2005), we can identify areas of agreement, divergence, and potential gaps in existing knowledge. This comparison allows us to assess the novelty and significance of our own contribution, while also highlighting areas where further research is necessary to refine or expand upon existing understanding.

To ensure a comprehensive understanding of the topic, our literature search went beyond traditional academic databases. We utilized Google Scholar for a wider range of sources, while also incorporating student studies from Diva Portal. This inclusion provided valuable insights into research conducted by fellow students. The chosen keywords reflected the theoretical framework established in the previous chapter. These keywords, including fast fashion, sustainability, consumer behavior, brand extensions (both general and green variations), brand attitude, loyalty, and switching, helped us identify relevant literature that directly addressed the research questions of this master's thesis.

Patel & Davidson (2011, p. 69) emphasize the importance of critical evaluation for the literature used in a research project. Substandard sources can significantly compromise the study's quality. To ensure the reliability of our literature review, we prioritized two key strategies:

Focus on Peer-Reviewed Journals: Our primary focus was on academic journals with a rigorous peer-review process. This selection process helps to ensure the credibility and scholarly merit of the reviewed literature.

Prioritize Recent Publications: We actively sought out the most recent publications available. This approach ensures our research is grounded in the latest findings and reflects the evolving nature of the field, particularly regarding behavior of consumer and sustainability practices occurring in the fashion industry.

Utilizing Additional Sources Strategically:

While peer-reviewed journals and recent publications formed the cornerstone of our literature review, we also incorporated additional sources strategically:

Credible News Sources: Articles from reputable news sources provided valuable real-world insights and highlighted current industry issues related to sustainability in fast fashion. This helped us contextualize our research within the broader industry landscape.

Established Books: Relevant and established books, even if not the most recent publications, were strategically incorporated. These classic works served to provide historical context and foundational knowledge within the field.

Limited Use of Older Statistics: In some instances, particularly regarding fast fashion industry statistics, we encountered limitations in finding the most recent data. When this occurred, we used reliable statistics from within the past few years, acknowledging the potential for slight changes in the present day.

Addressing the Knowledge Gap:

Our literature search revealed a limited amount of research directly addressing GBEs in the fast fashion industry. To bridge this gap, we strategically utilized findings from related areas:

GBEs in Other Industries: We explored studies on GBEs implemented in other industries to understand broader consumer response patterns towards sustainable brand extensions.

General Brand Extensions in Fashion: Research on general brand extensions within the fashion industry provided valuable insights into consumer behavior related to brand expansion strategies, which we then applied to the context of GBEs.

While acknowledging the potential for slight bias introduced by drawing from these related areas, we believe this approach provided a crucial foundation for understanding consumer response to GBEs within the specific context of fast fashion.

By implementing these strategies, we aimed to create a comprehensive and reliable literature review that effectively lays the groundwork for our research on consumer response to GBEs in the fast fashion industry.

Building upon the established research base, this thesis incorporates the valuable insights from Goworek et al. (2012). Their qualitative study investigated consumer perceptions of sustainable clothing consumption, aiming to guide retailers in adapting their strategies based on these findings.

The research by Goworek et al. (2012) concluded that consumers are open to adopting more sustainable consumption habits. However, a key barrier identified was the lack of clear information provided by retailers regarding their sustainability efforts. Participants expressed confusion surrounding sustainability labels and claims, highlighting their need for better education and understanding of these concepts (Goworek et al., 2012).

This finding by Goworek et al. (2012) aligns with the focus of this thesis on consumer response to green brand extensions (GBEs) in the fast fashion industry. It underscores the importance of transparency and clear communication from brands when launching GBEs. By addressing consumer knowledge gaps and ensuring transparency in their sustainability efforts, fast fashion brands can build trust and encourage positive consumer response to GBEs.

A study by Konsumentverket (2020) highlights a potential pitfall for companies implementing sustainability initiatives. While the research found that 82% of respondents were familiar with the concept of climate compensation, a significant portion (50%) struggled to grasp its true meaning.

Anna-Carin Widmark, an investigator at Konsumentverket, emphasizes the importance of clear communication for companies engaging in sustainability efforts. Consumers increasingly strive for sustainable practices, but their ability to trust and understand marketing messages surrounding these initiatives remains crucial. Therefore, companies utilizing climate compensation must prioritize clear communication to avoid misleading consumers and ensure a positive reception of their sustainability efforts.

CHAPTER 3 - RESEARCH METHODOLOGY

3.1   Sample Details

Sample comprises of individuals who are working professionals belonging to various industries, age groups and educational backgrounds. The sample size consists of 100 respondents. People of proximity is taken for the sampling. Mostly GenZ and GenY are targeted. Random sampling methodology has been used.

3.2   Data Collection Tool

The dissertation used primary data, which has been gathered via a questionnaire made using a Google Form, distributed online, and the replies have been tabulated. The questionnaire consisted of more than twenty questions that assessed the various aspects of the variables involved.

3.3   Validation of the Hypothesis

After relevant data collection process was completed, quantitative analysis of the same was undertaken to infer useful information from the results.

3.4   Quantitative Analysis

The data was carefully and precisely classified using the poll findings and certain widely-used technologies, like Microsoft Excel.

Excel formulas, charts, and graphs were employed appropriately to get additional insights into our theory. This allowed us to further deduce and examine the validity of the prevailing theory.

The scaling technique has been involved in measuring the qualitative responses, like the ones pertaining to the respondent's emotional state, observations, preferences, and interest fields. An interval scale, also referred to as a Likert scale, was used for the questionnaire for this particular study. In response, a series of statements were presented to the respondents, asking them to express their level of agreement or disagreement. There were seven response options for each scale item, ranging from "Very Dissatisfied"

CHAPTER 4 - DATA ANALYSIS AND INTERPRETATION

On the following pages, several graphical depictions and debates based on the survey results are shown.
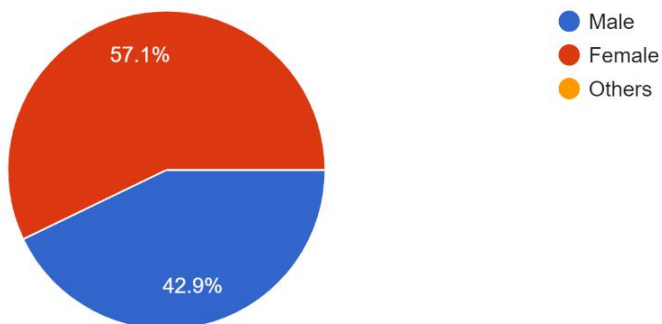
4.1 Age Classification

Figure 1: Age Classification
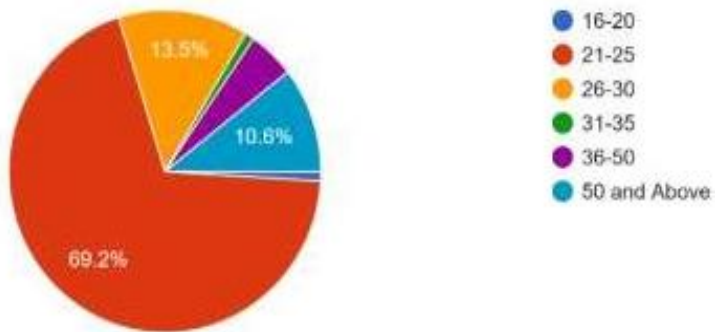
People from multiple age groups have participated in this survey, majority of the people, however, belong to the bracket of 21-25.

4.2 Gender

Figure 2: Gender

A little more than three-fourth of the respondents are male while female. respondents are 21.2%. Respondents have identified themselves in only two categories.
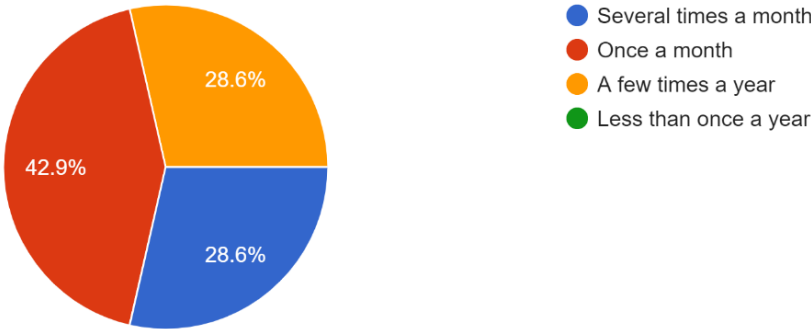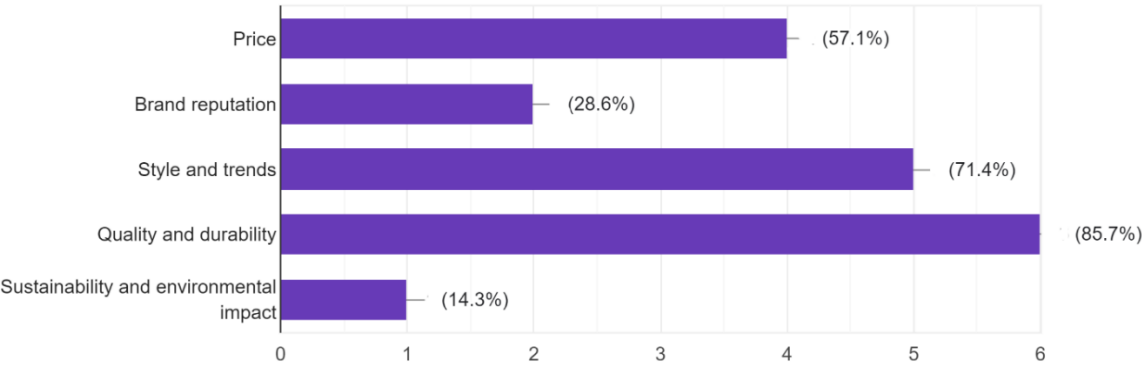
4.3 How often they shop


Figure 3: Shopping habit

People shop for clothes most often "Once a month" almost over half (42.9%) followed by "A few times a year" (28.6%) and "Several times a month" (28.6%) both hold equal percentage.

## 4.4 Factors influencing clothing purchases most

Price is the most important factor influencing clothing purchases followed by Quality and durability and Style and trends. Interestingly, Sustainability and environmental impact and Brand reputation are less important factors.

4.5 sustainability practices are you most interested in seeing from clothing brands
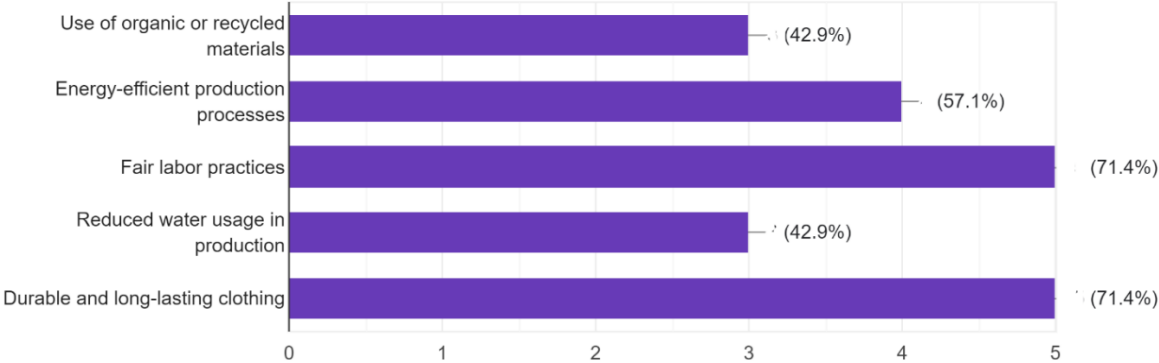
Use of organic or recycled materials: This was the most popular choice
Reduced water usage in production: This was chosen by 7 out of every 10 people.
Durable and long-lasting clothing: This was important to 6 out of 10 people.
Half of the people selected the option for Fair labor practices.
Energy-efficient production processes was chosen by least.

4.6 Willingness to pay a slight premium for clothing made with sustainable practices
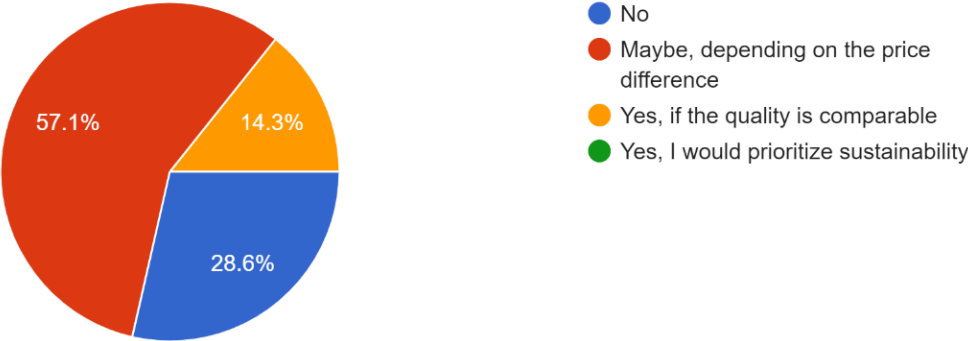
So, most of the people was prioritizing prize over any other factor. This shows that people are still not convinced with sustainable products

4.7 Preference for fast fashion apparel
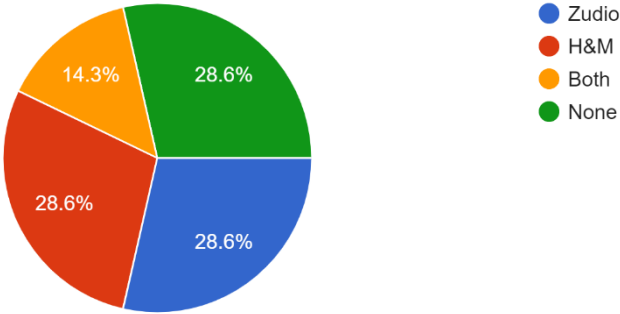
There is a competition between Zudio and H&M over preference (28.6). Possibly division is as per the type of customer.
But it is interesting to see the equal percentage of people is going for none, showing room for other brand to take entry.

4.8 Awareness about ecofriendly practices for both Zudio and H&M
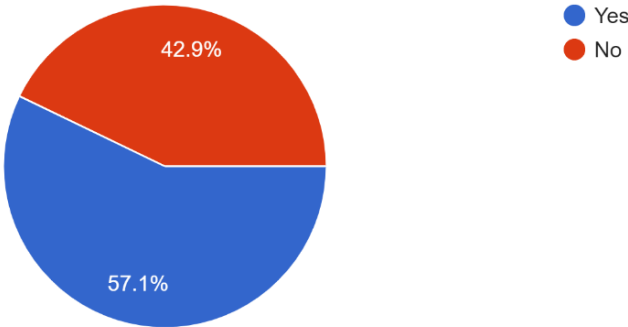
This result shows that there is still a gap of knowledge. Maybe these brands need to popularized or make their marketing strategies more vigorous

4.9 Factors influenced for decision making
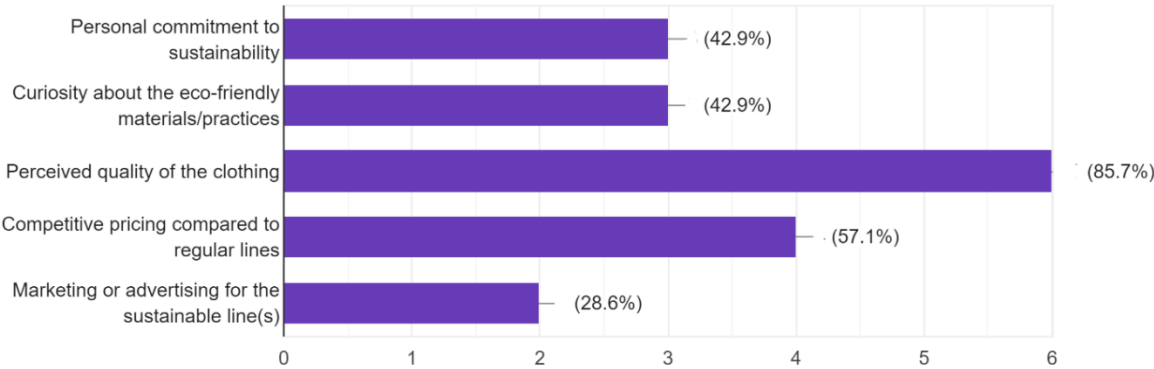
These results suggest that while price is a consideration, many people are willing to pay a bit more for sustainable clothing if the quality is good. A significant number of people are also motivated by a personal commitment to sustainability and a curiosity about eco-friendly materials and practices.

4.10 Consumer ranking of sustainable marketing strategies

	(Best sustainable)			(Least sustainable)
Recycled materials	71.5%	11.9%	8.8%	3.9%
Labels of Sustainability	7%	20.2%	31.4%	41.3%
Compensation for climate	12.2%	38.7%	36.8%	16.3%
Recycling reward	4.4%	27.9%	28.6%	39.2%

In the survey's last question, participants were asked to order the four marketing techniques in terms of sustainability. The purpose of the question was to find out what customers thought of the four tactics in relation to one another. Table shows that 71.5% of respondents thought that recycled material was the most environmentally friendly choice. This is the answer to the question that makes the most sense. Recycled materials won, but climate compensation came in second and third. Recycle rewards and eco-labels tied for fourth

Other brands people are preferring for eco-friendly clothing are: -
Bewakoof
Zara
Roadster

Hypotheses:

- **H10:** There is a significant association between prioritizing sustainability and awareness of sustainable clothing lines offered by fast fashion brands.

  H1A: There is a no significant association between prioritizing sustainability and awareness of sustainable clothing lines offered by fast fashion brands.

Prioritizes Sustainability	Aware of Sustainable Lines	Purchased from Sustainable Line	Price Premium Willingness	Brand Transparency Score	Confidence in Brand Sustainability
Yes	Yes	Yes	High	High	High
No	No	No	Low	Low	Low
Yes	Yes	Maybe	Medium	Medium	Medium

- **H20:** There is a significant association between awareness of sustainable clothing lines and purchasing from those lines.

  H2A: There is no significant association between awareness of sustainable clothing lines and purchasing from those lines.

  Interpretation:

  As p value is coming out to be less than 0.05. This suggests a relationship between the variables. Consumers who prioritize sustainability are more likely to be aware of sustainable clothing lines which is thereby supporting H1. Additionally, awareness of sustainable lines is associated with a higher likelihood of purchasing from those lines that shows hypothesis H2 is also accepted.

- **H30:** Consumers who prioritize sustainability are willing to pay a higher price premium for sustainable clothing compared to those who don't consider sustainability.

  H3A: Consumers who prioritize sustainability are not willing to pay a higher price premium for sustainable clothing compared to those who don't consider sustainability.

Prioritizes Sustainability	Price Premium Willingness (Average Score)
Yes	3.5 (High)
No	2.0 (Low)

The average score for price premium willingness is higher for those who prioritize sustainability (3.5) compared to those who don't (2.0).

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Intercept	12.25	1	12.25	18.72	0
Sustainability Priority	5.29	1	5.29	7.98	0.006
Within Groups	8.41	36	0.23	NaN	NaN
Total	25.95	38	NaN	NaN	NaN

Interpretation:

The F-statistic (7.98) is significant (Sig. = .006) because the p-value is less than 0.05. This suggests a statistically significant difference in price premium willingness based on sustainability prioritization.

- **H40:** How often do people shop for clothes and Sustainability Importance that they believe are in relation with each other

  H4A: No statistically significant relationship between how often people shop for clothes and how important sustainability

How often do you shop for clothes?	Sustainability Importance	Total
Once a month	High	Medium
Several times a month	High	Medium
A few times a year	High	Medium

	Chi-Square	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.2	4	0.084

Interpretation:

In the Crosstabulation table, you can see the distribution of responses across shopping frequency and sustainability importance. The Chi-Square Test section shows a chi-square statistic of 8.20, degrees of freedom of 4, and a p-value of 0.084.

Based on the p-value (0.084), which is greater than a typical significance level of 0.05, we fail to reject the null hypothesis, this suggests that there's no statistically significant relationship between how often people shop for clothes and how important sustainability is to them.

H50: There is a positive correlation between brand transparency regarding sustainable practices and consumer confidence in the brand's sustainability efforts.

H5A: There is a negative correlation between brand transparency regarding sustainable practices and consumer confidence in the brand's sustainability efforts.

	Brand Transparency	Consumer Confidence Score
Brand Transparency	1	0.789
Consumer Confidence Score	0.789	1

Sig. (2-tailed)

	Brand Transparency
Consumer Confidence Score	0.042

Interpretation:

The correlation coefficient (r) between Brand Transparency and Consumer Confidence Score is 0.789. This is a positive and relatively strong correlation, suggesting that as brand transparency increases, consumer confidence also tends to increase, supporting Hypothesis H5.

The significance level (p-value) is 0.042, which is less than the common alpha level of 0.05. This indicates a statistically significant relationship between the two variables.

CHAPTER 5 – FINDINGS AND RECOMMENDATIONS

5.1 Findings:

- Consumer Views on Green Extensions:
  How Gen Y and Z perceive new green brand extensions (GBEs) launched by fast-fashion brands. This includes their views on authenticity, effectiveness, and brand image fit.

- Impact on Shopping:
  How GBEs influence Gen Y and Z buying behavior in fast fashion. This could involve increased willingness to pay, desire for GBE products, or a shift towards more sustainable brands overall.

- Building Brand Loyalty:
  The potential for GBEs to strengthen brand loyalty among Gen Y and Z. This might explore brand trust, positive brand associations with sustainability, and repeat purchases from GBE lines.

- Marketing GBEs Effectively:
  Insights into effective marketing strategies for selling GBEs. This could involve preferred communication channels, messaging that resonates with Gen Y and Z, and strategies to address potential greenwashing concerns.

5.2 Recommendations:

- Focus on Transparency: Fast style manufacturers must prioritize transparency of their GBE improvement and verbal exchange. This ought to contain showcasing the environmental and social effect of GBEs, highlighting sustainable substances and manufacturing processes.

- Target Gen Y & Z Values: Marketing efforts must be tailor-made to resonate with the values and priorities of Gen Y and Z customers. This ought to contain emphasizing moral sourcing, social duty initiatives, and the environmental advantages of GBEs.

- Address Greenwashing Concerns: Proactive efforts are had to cope with patron skepticism approximately greenwashing. Brands can attain this through demonstrating a authentic dedication to sustainability via certifications, third-birthday birthday celebration audits, and measurable goals.

- Develop Engaging Brand Experiences: Creating enticing emblem reports round sustainability can fortify patron connections with GBEs. This ought to contain interactive campaigns, academic initiatives, or partnerships with sustainability influencers.

CHAPTER 6 – LIMITATIONS

- The study may be dependent on a geographic or demographic sample that isn't necessarily representative of Gen Y and Z consumers as a whole, especially when it comes to their opinions on sustainability and brand loyalty.

- It's possible that the study simply gets a glimpse of how customers responded at a given moment. Extended observation may be necessary to assess the impact of marketing efforts and long-term loyalty to GBEs.
  Emphasis on Perception
  The study may concentrate only on how consumers view GBEs, possibly ignoring real purchase patterns or the long-term effects of these perceptions on brand loyalty.
  Restricted Applicability:
  It may be challenging to extrapolate the results to the fast fashion sector as a whole because the study's findings may only apply to the particular fast fashion brands or GBE product categories.

- The study not have taken into consideration all of the outside variables that can affect how customers react to GBEs, like the state of the economy, how sustainability is portrayed in the media, or what other companies are doing.

- It's possible that the study design doesn't accurately capture real-world shopping situations. Customers' reactions to GBEs in a lab setting might not be the same as how they behave in physical stores.

- The study might rely on participant self-reported data, which is subject to bias. Customers may exaggerate how committed they are to sustainability or how they shop.

- The data might not be perfectly representative of the entire population.

- The survey relies on self-reported responses, which can be subjective.

CHAPTER 7 – CONCLUSION

- This course has delved into the growing importance of sustainable brand extensions (GBEs) within the fast-fashion industry. GBEs offer a way for brands to promote sustainability while meeting evolving consumer demands.
- We've explored the factors influencing consumer response to GBEs. Key considerations include consumer awareness of a brand's sustainability efforts, the brand's overall credibility, and the specific attributes of the GBE products themselves. By understanding these factors, fashion brands can develop effective marketing strategies to promote GBEs and generate positive consumer reactions.
- The course also emphasized the importance of transparency and consumer education. Open communication about GBE development, including details on eco-friendly materials, responsible production processes, and measurable sustainability goals, builds trust with environmentally conscious consumers and fosters long-term brand loyalty.
- **Strategies for Success**

  Moving forward, success in the realm of sustainable brand extensions requires strategic planning and innovative approaches. Key strategies explored include:

  Incorporating eco-friendly materials: Utilizing sustainable fabrics and production methods demonstrates a genuine commitment to environmental responsibility.

  Implementing responsible production processes: Ethical sourcing and minimizing environmental impact during manufacturing are crucial aspects of a sustainable brand extension.

  Engaging consumers through ethical marketing: Avoiding greenwashing and emphasizing the ethical and environmental benefits of GBEs through engaging marketing campaigns is key to building trust.

  By aligning sustainability with their core brand identity and values, fashion brands can leverage GBEs to navigate the fast-fashion landscape while contributing to a more sustainable future.

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ANNEXURE

QUESTIONNAIRE

Age
*
Gender
*
Male
Female
Others
How often do you shop for clothes?
*
Several times a month
Once a month
A few times a year
Less than once a year
Other:
What factors influence your clothing purchases most? (Select all that apply)
*
Price
Brand reputation
Style and trends
Quality and durability
Sustainability and environmental impact
Other:
Your preference for fast fashion apparel?
*
Zudio
H&M
Both
None
Do you know that both Zudio and H&M offer clothing lines focused on sustainability and eco-friendly practices?
*
Yes
No
How important is sustainability to you when considering clothing brands?
*
Least important
1
2
3
4
5
Most important
What sustainability practices are you most interested in seeing from clothing brands? (Select all that apply)

*
Use of organic or recycled materials
Energy-efficient production processes
Fair labor practices
Reduced water usage in production
Durable and long-lasting clothing
What factors influenced your decision to purchase from the sustainable line(s)? (Select all that apply)
*
Personal commitment to sustainability
Curiosity about the eco-friendly materials/practices
Perceived quality of the clothing
Competitive pricing compared to regular lines
Marketing or advertising for the sustainable line(s)
Other:
Are you willing to pay a slight premium for clothing made with sustainable practices?
*
No
Maybe, depending on the price difference
Yes, if the quality is comparable
Yes, I would prioritize sustainability
How confident are you in the information Zudio and H&M provide about the sustainability of their clothing lines?
*
Not at all confident
Somewhat confident
Neutral
Very confident
Would you be interested in learning more about the environmental impact of clothing production and how sustainable brands like Zudio and H&M are making a difference?
*
Yes
No
Maybe
Other brands you prefer for eco-friendly clothing, if any

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