

Exploring the Role of Social Sustainable Certification in Buyer-Supplier Relationship: Perspectives from U.S. Fashion Buyers

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Keywords: Social sustainable certification, US fashion buyers, Buyer-supplier relationship

The fashion industry is a global economic powerhouse, with a massive annual turnover of 1.5 trillion USD (Statista, 2023). The industries' reliance on low labor costs in developing nations leads to power imbalances in the global supply chain. These imbalances result in unsafe working conditions and a high number of factory accidents and injuries, highlighting the urgent need for improved safety measures. However, sustainable certifications have emerged as a measure to provide checks and balances in the global supply chain. Certifications such as BSCI and Accord ensure fair working conditions, respect for workers' rights, and compliance with environmental and safety standards (ACCORD, 2013). The U.S. buyers are also becoming more selective in their purchasing decisions, looking for high-quality products that are produced sustainably and socially responsible. This demand is pushing textile and apparel manufacturers to adopt sustainable practices and provide the best products.

Buyer-supplier relationships play an important role in the fashion industry's supply chain. The power relationships between buyers and suppliers can strongly impact a company's performance and long-term viability (Gullett et al., 2009). Moreover, the market condition of the fashion industry is influenced by the buyers' power or control over suppliers. Buyers can easily change suppliers if they do not meet their expectations (Lee, 2006). Due to the growing demand for sustainability in the fashion industry, sustainable certifications can help fashion suppliers differentiate themselves in the market and potentially reshape buyer-supplier relationships in the fashion industry. Therefore, this study aims to investigate the impact of social sustainable certifications on the development of buyer-supplier relationships in the fashion industry. The Social exchange theory was adopted to understand the buyers' knowledge of social sustainable certification and how does it impact the buyer-supplier relationship. Social exchange theory believes people behave in a certain way to establish trust and intimacy and is often used to explain how relationships develop (Emerson, 1996). In a buyer-supplier relationship, social exchange theory can be applied to understand how the two parties interact and how they evaluate the costs and benefits of their relationship. This study used Social Exchange theory framework's costs, rewards, power, satisfaction, trust, and expectations components.

The study utilized a qualitative research method, employing the semi-structured interview method to collect data. In-depth interviews were conducted with U.S fashion buyers to gain insights into their knowledge of social sustainable certification. Initially, 43 fashion buyers were contacted through emails and text messages, and 14 agreed to participate in the study. The saturation of themes was reached in 9 participant interviews. The data collection was carried out from February 2023 to April 2023. Each interview lasted between 40 to 60 minutes and was recorded using Zoom.

The interviews were transcribed using M.S. Office transcribe tool. The transcripts were also manually checked to ensure data reliability. Subsequently, the interview transcripts were coded in an Excel sheet.

The data analysis resulted in seven themes that emerged from keyword analysis, constant comparison, and thematic analysis of the data. The themes are (i) Sustainable certification communication, (ii) Knowledge of certifications, (iii) Sustainability Costs, (iv) Power to change expectations, (v) Trust in the certificates, (vi) Stakeholder rewards from certifications, and (vii) Buying expectations in relation to certifications. Several sub-themes also emerged during the analysis.

The Sustainable certification communication theme includes three sub-themes which are (i) Social sustainable certifications (55% of the participants shared some insights), (ii) Vendor certifications (80% of the participants have no idea), and (iii) Accord/Alliance (80% of the participants have not heard). The Knowledge of certifications theme includes three sub-themes which are (i) Factory certification realization (55% of the participants admitted being unaware), (ii) Benefits of certifications (100% of them agreed), and (iii) Reasons of certifications (80% of the participants had mixed thoughts). The Trust in the certificates theme includes three sub-themes which are (i) Seeking certifications (90% of the participants do not seek), (ii) Auditing supplier factories (55% of the participants do not audit supplier factories), and (iii) Certification rewards (45% of the participants think certification does help in building relationship). The Buying expectations in relation to certifications theme also includes three sub-themes which are (i) Impact of decision making (55% of the participants believe certification does not impact buying behavior), (ii) Factory Incidents (10% of the participants have knowledge), and (iii) Making the buying decisions (35% of the participants will consider certification in future). Besides, 80% of the participants felt powerless to make changes in the situation created by fashion industry.

Based on the findings, the study revealed significant buyer knowledge about sustainable certification, including concerns about greenwashing, worker's wages, child labor, fire safety, and building collapses. Surprisingly, most buyers acquired certification knowledge out of personal interest rather than professional experience. In fact, one participant who has been in the industry for over three years was completely unaware of sustainable certification. This highlights the need for more awareness and education within the industry. While some participants had some knowledge of factory certification, others admitted of being unaware of the topic. Additionally, one participant with over 10 years of experience in the industry is not familiar with Accord. This indicates that Accord is not well-known among U.S fashion buyers or within their industry. Also, majority of the participants did not have a clear understanding of whether their vendors held any certifications. This lack of knowledge suggests that the approach to vendor certifications within these companies is not consistent. However, all participants agreed that certification provides advantages for both the environment and the workforce. Besides, all participants were aware of the issues created by the fashion industry and majority of the buyers felt powerless to change the situation. Even though the participants acknowledged the benefits of certification, it did not

influence their decision to seek certification for good supplier relationships. Moreover, Sustainability concepts and certification did not significantly impact the buyers' decision-making process when selecting suppliers.

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