



Creating Customer Values for the Economic Sustainability of Slow Fashion Brands

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Rationale and Research Purpose The recent emergence of slow fashion, as opposed to fast fashion, helps enhance sustainability in the apparel industry as slow fashion claims to slow down the production and consumption cycle emphasizing quality over speed (Fletcher, 2007). The essence of sustainability emphasizes the integration of the environmental and social aspects of sustainability with economic sustainability (World Summit of United Nations, 2005). With slow production and consumption practices, slow fashion can assist in improving the social and environmental aspects of sustainability; however, the economic aspect of sustainability is still questioned. This is because the demand for slow fashion items may be insufficient to sustain slow fashion businesses largely due to their higher prices, as compared to mass produced apparel. In order for slow fashion to be entirely sustainable, encompassing all three aspects of sustainability, it is critical for slow fashion businesses to find ways to be economically sustainable. This study asks: (1) how can slow fashion create economic value for firms? and (2) what aspects of slow fashion should be emphasized to sustain economic profitability? The purpose of this study is to develop a research framework that allows answers to the questions and to obtain those answers through empirical testing in the U.S. using nationwide consumer data. The research framework is built on customer value creation (Day, 1990) that assumes customers are willing to buy products and pay more money for those products when they perceive those products have superior value. Specifically, the proposed research framework hypothesizes that some aspects of slow fashion will positively lead consumers to perceive higher customer value of slow fashion products (H1-H5), which in turn increases consumers' willingness to purchase (H6) and pay a price premium for slow fashion products (H7) (Figure 1). For the aspects of slow fashion, this study employs five dimensions of slow fashion identified in the 'Consumer Orientation to Slow Fashion (COSF)' scale with each of the five dimensions serving H1-H5. The five dimensions of slow fashion include Equity, Authenticity, Functionality, Localism and Exclusivity (Jung & Jin, 2014). The *Equity* dimension includes the extent of the consumers' concern about fair trade, good working conditions and fair compensation for workers when they make clothing purchase decisions. The *Authenticity* dimension demonstrates consumers' orientation to respect craftsmanship and prefer clothing made using traditional techniques, and the *Functionality* dimension includes consideration of the longevity and versatility of clothing in purchase decisions. The *Localism* dimension indicates a preference toward using locally produced raw material in making clothing and choosing domestic fashion brands, and the *Exclusivity* dimension is related to enjoying the uniqueness derived from product scarcity.

Method Employing an online survey method, 221 nationwide consumer panel data were collected. The collected data were fairly similar to the U.S. population composition in terms of age, gender and geographical location (U.S. Census Bureau, 2011). The survey questionnaire

consisted of consumer orientation to slow fashion (COSF) (Jung & Jin, 2014), perceived customer values on slow fashion (Sweeney & Soutar, 2001), purchase intention (Sweeney et al., 1999), and willingness to pay price premium (Castaldo et al., 2009). All items were measured by a 5-point Likert scale (1= strongly disagree to 5= strongly agree).

Results Structural equation modeling (SEM) was employed by using AMOS 21.0. Both the measurement model and structural model had an adequate fit with the data, reliability and validity (Hair et al., 2009). Among H1-H5 testing the relationship between each slow fashion dimension and customer value perception, only Exclusivity (H5) was found to be significant (Figure 1). This indicates that consumers who are seeking unique and exclusive clothing are likely to perceive value in slow fashion products. Consumers' perceived value of slow fashion products significantly increased their intention to buy slow fashion products (H6) as well as to pay a price premium for those products (H7). Additionally, a consumer's purchase intention enhanced his/her willingness to pay more to buy slow fashion products.

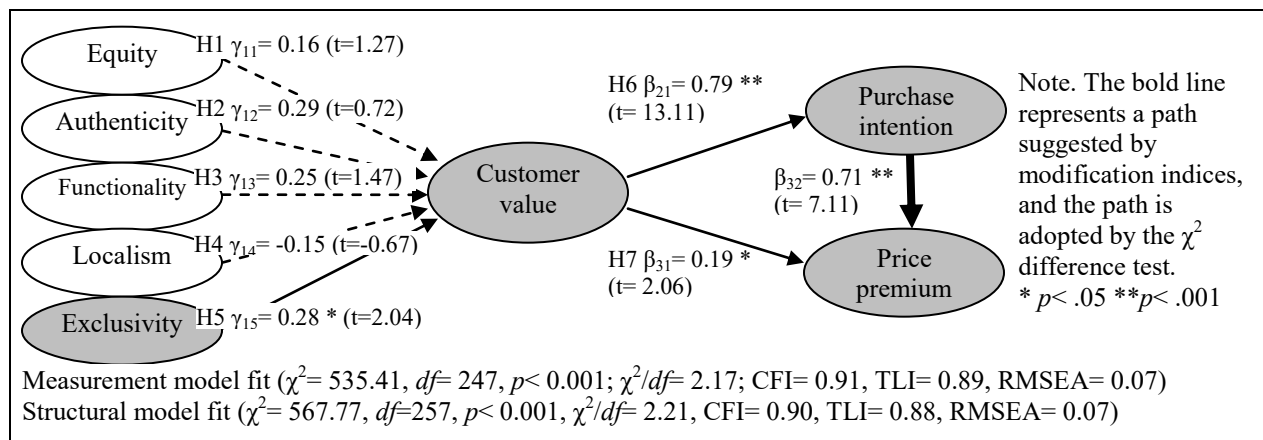


Figure 1. Research Model and Results

Discussions and Implications This study confirmed that perceived customer value is a salient factor in encouraging consumers' purchase and pay-a-price-premium intentions. The possible reasons for non-significant findings were discussed. Academically, this study suggests ways for slow fashion to achieve economic sustainability, which is a new addition to the literature. Through the customer value creation framework, this study provides empirical evidence as to which specific slow fashion aspects should be focused on to create a sustainable slow fashion business model. This is unique to the literature on slow fashion which has been conceptually discussed thus far. Managerially, since the Exclusivity dimension was found to enhance customer value, developing exclusive apparel products is crucial for slow fashion businesses. Exclusivity can be accomplished by developing unique designs and by producing items in limited quantities. The overall findings suggest that small scale operations capitalizing on skilled local artisans and entrepreneurial young designers, rather than mass production, will be better equipped to create exclusive slow fashion items. Further discussions and suggestions for policy development and small businesses were made.

Reference Jung, S., & Jin, B. (2014). A theoretical investigation of slow fashion: Sustainable future of the apparel industry. *International Journal of Consumer Studies*, 38(5), 510-519.