Corporate and Social Responsibility Perspectives of Finnish Fashion Retailers and Consumers

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1 Introduction and Background

Grant, Trautrims, and Wong (2017) noted the concept of corporate social responsibility (CSR) can be traced to Bowen's (1953) book *Social Responsibility of the Businessman*. Bowen recognized that the actions of large businesses should consider what is desirable in terms of the objectives and values of society. This earlier concept of CSR argued that production should be executed so that total social-economic welfare is enhanced since CSR concerns itself with business ethics. The reality is that businesses cannot just focus on social responsibility. Businesses have to simultaneously consider multiple business objectives including market share, revenue, profit, competition, regulation, the natural environment and social responsibility. To reflect this complex decision-making process, Johnson (1971, p. 50) notes that a socially responsible firm is "*one whose managerial staff balances a multiplicity of interests. Instead of striving only for larger profits for its shareholders, a responsible enterprise also takes into account employees, suppliers, dealers, local communities, and the nation*".

Johnson's thesis reflects a multiple stakeholder view and was a precursor to Elkington's (1994) 'triple bottom line' (TBL) of planet, people and profits. The TBL is a wider view of CSR and argues that firms should focus on maximizing shareholder wealth or economic value they create while at the same time ensuring that they also add environmental and social value to achieve long-term natural environment security and proper working and living standards for all human beings.

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The TBL concept has found wide acceptance across firms, governments and non-governmental organizations (NGOs). These concepts have led to the International Organization for Standardization (ISO) developing ISO 26000 for social responsibility in business and public sector organizations in 2010.

Fernie and Grant (2015) argued that this stakeholder model has been the dominant paradigm in the retail fashion and fast fashion sector during the twenty-first century, reinforced with a rise of anti-consumerism that is often related to what is considered mindless consumption of fashion. However, the problem with a stakeholder approach to CSR is the numerous conflicting interests among the large number of protagonists involved. This has meant that codes of conduct such as ISO 26000 are only voluntary guidance standards and cannot be used for accreditation or certification compared with ISO standards on quality (ISO 9001) or environmental management (ISO 14001). Fernie and Grant (2015) also noted that a key supply chain management (SCM) trend in the retail fashion sector has been the vertical disintegration and outsourcing of the production function to a global network of independent subcontractors. The expansion of free trade following the elimination in 2005 of the Multi-Fibre Arrangement (MFA), which imposed quotas on amounts developing countries could export to developed ones and resulted in a greater number of apparel producers across a wider variety of countries. This change enabled the rapid growth of the international textile and clothing (T&C) industrial sectors.

Fashion is now a $1.2 trillion global industry with more than $250 billion spent annually on fashion in the US, employing 1.9 million people and having a positive impact on regional economies across the country (JEC, 2015). The T&C sectors have also contributed significantly in other countries, particularly developing countries through providing opportunities for export diversification and expansion of manufactured exports for developing countries that can exploit their labour cost advantages and fill emerging niches and meet buyer demands.

At the macro level there are a number of ways in which the T&C sectors affect economic development (Keane & Willem te Velde, 2008). They are a major contributor to incomes and GDP, which naturally differs by country but is up to 5% in Sri Lanka, 12% in Cambodia and 15% in Pakistan. The T&C sectors are the dominant source of exports and foreign exchange in developing countries that depend on T&C exports for more than 50% of total manufacturing exports, for example Bangladesh (83.5%) and Cambodia (80%). Employment effects in developing countries are also significant with total employment ranging from 35% in several low income countries, 75% in Bangladesh, and 90% in Cambodia. As a result, there is a strong mutual dependence between developing and developed nations with the former requiring access to the latter's markets to ensure economic viability, and the latter needing low cost production in the former in order to retain competitive advantage.

On the other hand, clothing production and consumption has significant social and environmental impacts throughout its life cycle and has often been critiqued for its lack of sustainability, for example the fashion industry has the fourth largest environmental impact of any industry in the UK and working conditions in many factories could be described as dubious at best (Lunt, 2017). Given these issues, this chapter investigates the perspective of fashion retailers and consumers in the developed country of Finland towards CSR and purchasing and procurement from developing countries. While much has been written about these perspectives in other countries such as the UK, little research has been conducted in the Finnish market. The next section discusses the academic and other literature that was reviewed to develop four research questions concerning this topic and phenomenon. Then, the research methodology is presented followed by analysis and discussion of the research findings. Finally, the chapter is concluded including limitations and suggestions for further research.

2 Literature Review

2.1 Challenges in Retail Fashion and Fast Fashion Industry Sectors

The fashion industry has faced significant changes in its operations since the start of the fast fashion craze in 1990. Fast-fashion retailers have transformed the fashion retail sector as they ship continuous small deliveries of a large number of designs so that new merchandise is always on the showroom floor and the net result has been that the fast-fashion retailers, especially the global players such as Zara, H&M and Mango have grown faster than the clothing sector as a whole and have been gaining market share over traditional retailers (Fernie & Grant, 2015). This has been accomplished through outsourcing production to low-labour-cost countries, shorter product lifecycles, and higher volatility of demand within a complex global context, resulting in extended, complex and inflexible supply chains (Barnes & Lea-Greenwood, 2006; Fernie & Grant, 2015; Turker & Altuntas, 2014). Overseas sourcing has increased competitiveness within the sector, further increasing pressure on suppliers to lower production costs while increasing production speed—a risky proposition.

However, there may be a myth that making clothing in a developed country is much more expensive than manufacturing overseas. Hills (2017) provided an analysis of comparative cost in her efforts to promote manufacturing in the UK. The average manufacturing cost for a t-shirt from Asia is around £4.24, which includes the fabric, cutting and stitching of the garment, labelling, pressing and packing, and the factory's overhead and margin. The same t-shirt made in the UK is around £8.85. However, when clothing is made overseas there are several other costs that need to be taken into account before that product is ready to sell. Shipping and duty can be as much as £1.75, depending on the size of the order. Retailers also traditionally work on a profit margin of about 60% for a branded item but have to take into account not all products bought sell at full price. The average full price sell-through volume on fashion products is around 60% and thus around 40% of clothing sales generate little or no profit. Having products available when a customer actually wants it is where sourcing locally may be a better option.

The 2017 Kurt Salmon Global Sourcing Reference published by its parent Accenture (2018) notes the T&C sector is facing continuous increases in cost within its classical sourcing markets that also put stronger pressure on overall profits. For example, since 2013 production costs have risen 47% in Bangladesh, 40% in Pakistan, 30% in Indonesia, 33% in India and 33% in lower China while cost increases in Vietnam, Cambodia, higher China, Romania and Turkey ranged between 8 and 18%. Accenture also notes that cost no longer leads the list of future priorities as respondents to their survey ranked speed to market as the number one sourcing priority followed by social and environmental compliance, quality, innovation management and end-to-end value chain collaboration. Given that speed to market has increased over the recent years Accenture recommends being closer to consumer needs with critical seasonal milestones on concept, design, and development for adoption of trend impulses as well as buying decisions to ensure market right products and quantities. As a result, sourcing plays a critical role in enabling differentiated seasonal calendars based on individual product needs and a balanced mix of near-shore and far-east sourcing destinations (Menachof & Grant, 2016).

The Ellen MacArthur Foundation (2017) reports that increasing growth in clothing production is intrinsically linked to a decline in utilisation per clothing item resulting in increased waste. The Foundation estimates that "*more than half of fast fashion production is disposed in less than a year with one garbage truck full of textiles being sent to landfills or incinerated every second*" (2017, p. 37). The Foundation also considers that the current 'take-make-dispose' system is very polluting. The use of substances of concern in textile production has an important impact on farmers' and factory workers' health as well as on the surrounding environment. During use, it is estimated that "*half a million tonnes of plastic microfibres shed during washing ends up in the ocean and ultimately enters the food chain*" (2017, p. 39). The Foundation has seen this report endorsed by various fashion influencers, including designer Stella McCartney, who condemned her industry as incredibly wasteful and harmful to the environment and joined forces with Dame Ellen MacArthur to call for a systemic change to the way clothing is produced and used (Laville, 2017).

Any blame for these issues lies on both sides of the fashion trade: sellers and consumers. Many fast fashion and luxury brands prioritize volume of production, quick turnaround, and sales over sustainability while shoppers demand lower priced clothing that mimics runway trends and values cost and look over ethics (Lunt, 2017). This suggests questioning the broader issue of corporate behaviour with regard to what Vogel (2006) calls the market for virtue. For example, is Wal∗Mart a responsible company for bringing low-priced goods to consumers in many markets of the world or an irresponsible company for paying low wages, being anti-union and for putting small companies out of business when it enters some of these markets? In the UK in 2014 many MPs including senior politicians wore t-shirts supporting women's rights. These t-shirts subsequently created a political and media storm when it was reported that the shirts, retailing at £45 or $67, were being produced in sweatshop conditions in Mauritius (Fernie & Grant, 2015).

The fashion industry has thus been a part of negative social impacts such as hazardous working environments, poorly constructed factories and lack of fire exits, violations of workers' rights and unfair remuneration for the garment producing countries (Taplin, 2014). As a result, the implementation of corporate social responsibility (CSR) into business practices is important in complex and global fashion supply chains, particularly for retailers (Perry & Towers, 2013).

However, fashion consumers also have a social responsibility regarding the sources of their purchases as knowledge about CSR issues occurring in the fashion industry and their beliefs in ethical fashion shapes their purchase behaviour. Through such behaviour, i.e. purchasing or not, consumers can express their concerns on CSR issues through their choice and support of retailers who manufacture under ethical conditions and enhance working environments for garment producers (Chan & Wong, 2012; Shen, Wang, Lo, & Shum, 2012). PwC (2017) argues that recent uncertain times saw consumer trust in retailers become the second most important factor for shopping with a brand in 2016 after price. PwC's study noted that 21% of UK shoppers prefer to buy goods from the UK i.e. local production, 12% choose those with environmental credentials, and 17% choose products that have been ethically sourced. Further, they noted retailers continue to commit to environmental initiatives as well as addressing the backlash against poor working conditions. Media reports of British factory workers being paid as little as £3 per hour triggered changing attitudes towards companies with unethical practices.

2.2 Increasing Risks and Disasters in Fashion Supply Chains

During this century several fatal man-made disasters have also occurred at supplier plants for large western fashion retailers and the business model of the fashion industry has been blamed for causing these man-made disasters. There were eight disasters with deadly outcomes occurring primarily in Asia (Cambodia, Bangladesh, Pakistan) from September 2012 to May 2013. The worst occurred in early 2013 when an eight-story textile factory called Rana Plaza in Dhaka, Bangladesh collapsed killing 1129 and injuring 2500 factory workers. The prevailing substandard working conditions and the risks connected to them at the Rana Plaza factory received worldwide media coverage bringing the problems of the fashion supply chains to a greater audience (Taplin, 2014). Besides poorly constructed factory buildings there are fire-related safety issues (Belal & Owen, 2005) and irresponsible business practices against worker's rights, such as insufficient wages, forced labour and indecent working hours that are social issues occurring in the fashion industry (Klassen & Vereecke, 2012). Fashion business strategy raises many supply chain management challenges such as short lead-times, cost pressure, low predictability and high volatility which further increase the probability of risk and disasters in fashion supply chains (Fernie & Grant, 2015; Turker & Altuntas, 2014). Moreover, the fashion industry is a highly competitive market containing few but large retailers, which has resulted in a business strategy of offshore manufacturing in low-labour cost countries to further reduce production costs, increase margins and gain competitive advantage in the market (Barnes & Lea-Greenwood, 2006; Fernie & Grant, 2015; Perry & Towers, 2013). Such a strategy however increases the length and complexity of fashion supply chains and awareness and concerns over CSR issues in this industry have increased among various stakeholders including customers, the media and non-governmental organisations (NGOs). This has in turn further increased pressure on companies to take responsibility of business actions and risks across their entire supply chain (Caniato, Caridi, Crippa, & Moretto, 2012; Seuring, Sarkis, Müller, & Rao, 2008). Thus, managing CSR issues in fashion supply chains is an increasing management challenge due to several barriers such as high price pressure on suppliers, high labour intensity at supplier factories and supply chain complexity (Perry & Towers, 2013).

2.3 Implementation of CSR in Purchasing Practices

Scholars and purchasing managers have identified a need to include CSR in firms' purchasing and supply management, especially for companies practicing global sourcing. Purchasing managers possess an important role in including social responsibility activities into a firm's performance as they frequently interact with suppliers and other stakeholders such as buyers, internal employees, and the community (Carter & Jennings, 2004). The power of large retailers has increased due to global sourcing, giving them more control and power over the entire fashion network (Fernie & Grant, 2015), which was valued at US$3 trillion in 2016 (FashionUnited, 2016). Decisions made by purchasing managers do not only influence a company's reputation but could also have beneficial consequences on the people and community involved, such as garment producers and the community they live in McClelland (2017). There are three retail-buying practices impairing the working conditions for the garment producers at the supplier plants: more time pressure, more flexibility to meet consumer demand (McClelland, 2017), and a constant search for the cheapest manufacturer that results in short-term buyer-supplier relationships (Perry & Towers, 2013). It is suggested retailers alter their purchasing practices to include reasonable lead-times and avoid last-minute changes to further mitigate the risks for violation of working conditions at garment factories (Overeem & Theuws, 2013; Perry & Towers, 2013), as well as build long-term buyer-supplier relationships to improve the quality of work for factory workers (Fernie & Grant, 2015). Moreover, retailers and purchasing managers should conduct quality assessments such as human rights risk assessment and factory safety & risk assessments before selecting suppliers to ensure that suppliers are fulfilling the company's social standards. The quality assessment method is a proactive way of reducing or mitigating risks from occuring at the supplier level. Retailers should also ensure that suppliers provide, support and develop safe working environments for their workers as well as respecting international human rights to further avoid forced labour, inhumane working conditions and child labour (Begum & Solaiman, 2016; Overeem & Theuws, 2013). Previous studies have shown that audits, codes of conduct and quality assessments fail to ensure good CSR results as the buyer-supplier relationships are still unequal where buyers (fashion retailers) still possesses the greatest power (Perry & Towers, 2013).

2.4 Fashion Consumer Awareness and Consumer Behaviour

Consumers should take into account sustainability in their consumer behaviour as they have a high impact on the fast fashion industry as they are the one putting high demands on fashion retailers, which further complicates the structure of the fast fashion supply chains (Barnes & Lea-Greenwood, 2006). Fashion retailers are under constant pressure to offer the newest designs and many varieties of clothes at affordable prices within this high demand sector. This further increases pressure by retailers on suppliers who may end up violating working conditions at the garment producing plants (Perry & Towers, 2013). However, an increase in consumer awareness and concern about social consequences of the fashion industry has pushed the fashion industry (retailers, manufacturers, and suppliers) to become more transparent and ethical (Shen et al., 2012). This has further led to the rise of ethical fashion which is also referred to as "*fashion with a conscious*" (Shen et al., 2012, p. 235) or as 'slow fashion' (Fernie & Grant, 2015). However, barriers such as "*lack of awareness, negative perception, distrust, high prices, and low availability*" (Joy, Sherry, Venkatesh, Wang, & Chan, 2012, p. 289) have been identified as factors impeding the entry of slow fashion into the fashion market. Furthermore, although consumers state that social and environmental aspects are of importance in their purchasing decisions the price, availability and style of the products are still the key qualities for consumers while purchasing (Chan & Wong, 2012; Shen et al., 2012). The more information and knowledge consumers have about the fashion industry's negative impact on the society, the more likely they are to choose sustainable or ethical products, increasing the demand on ethical fashion as "*every buying decision a consumer makes is a vote indicating support or lack of support for how companies conduct business*" (Shen et al., 2012, p. 237).

2.5 Summary

While these previous studies have investigated CSR implementation and socially responsible purchasing practices in fashion supply chains in developing countries and some developed countries such as the UK, little research has been conducted on CSR implementation by Finnish fashion retailers or consumer perceptions and concerns regarding CSR in Finnish fashion retail. However, Finland is an important

T&C market, exporting T&C products with a value of 564 million Euros in 2011 while importing 2219 million Euros of T&C products in the same year with China (33%), Turkey (6%), Bangladesh (5%) and India (4%) comprising the largest developing country sources (FINATEX, 2015). Thus, we conducted an exploratory study on this topic to gain a deeper understanding of both retailer and consumer perspective in this Nordic context. The foregoing review suggested four research questions for study as follows:

- RQ1: How are Finnish fashion retailers implementing CSR into their purchasing practices?
- RQ2: How are Finnish fashion retailers ensuring decent working conditions (human rights, safety and a living wage) at garment producing plants?
- RQ3: What is Finnish consumer awareness of social issues in the fast fashion industry?
- RQ4: How has this awareness (or lack of it) affected Finnish consumer behaviour?

3 Methodology

Since little was known about this topic and phenomenon in Finland an exploratory and qualitative approach was used to increase our understanding (Robson, 1993) and was carried out in spring 2017. Using a convenience sample we selected three Finnish fashion retailers for interview as shown in Table 1 who each sell women's, men's and children's clothes and represent Finnish fashion companies of different company sizes, different types of companies, and with different sourcing countries.

We also selected two non-government organisations (NGOs) to interview to provide an objective view of the researched phenomenon as shown in Table 2. NGO1 (campaign coordinator) works closely with issues related to improving the fashion sector as well as increasing awareness of social issues occurring in it while

Table 1 Overview of the one-to-one interviews with Finnish fashion retailers

Abbreviation	Interviewee title	Main sourcing countries	Number of employees & stores
CoA	CSR manager	Bangladesh, China	≈8000 & 6
CoB	Sustainability manager	Baltic countries, China, Portugal	≈441 & 63
CoC	Sustainability manager	China, India, Turkey	≈38,000 & 142 (including food stores)

Table 2 Overview of the one-to-one interviews with NGO respondents

Abbreviation	Position in the organization
NGO1	CSR campaign coordinator
NGO2	Sustainability communication manager

Table 3 Overview of the focus groups with consumers

Focus group	Number of participants	Age range of participants (years)
FG1	7	26–30
FG2	4	20–25
FG2	4	24–29

NGO2 promotes decent working and labour standards as well as the reduction of poverty and inequality in developing countries.

Data were collected by semi-structured interviews with the Finnish fashion retailers and NGOs to address RQ1 & RQ2. Interviews lasted between 45 and 55 min and were recorded, transcribed and verified by the respondents to ensure credibility of the study. Secondary data was collected from the participating fashion retailers CSR and sustainability reports and thus data triangulation was used in this study to enhance the quality and trustworthiness of the study using four criteria of credibility, transferability, dependability and confirmability for qualitative research (Halldórsson & Aastrup, 2003).

Additionally, three focus groups were conducted with Finnish fashion consumers between the ages of 20 and 30 years, both female and male, to gain in-depth knowledge about their awareness of social issues in the fashion sector as well as their resultant consumer behaviour to address RQ3 & RQ4. Each focus group lasted between 40 and 50 min and was recorded. Details of the focus group session are shown in Table 3.

Data were analysed using a qualitative thematic analysis approach, where themes were coded to support the analysis of the data (Patton, 2015). Three themes emerged to answer RQ1 & RQ2: challenges in the fashion industry, implementation of CSR, and fashion retailers purchasing practices while three themes also emerged to answer RQ3 & RQ4: consumer awareness, barriers to ethical fashion, and changes in consumer behaviour. In the results and analysis section of the study quotations from both the semi-structured interviews and the focus group interviews are presented to increase confirmability of the study.

4 Results and Analysis

4.1 Challenges in the Fashion Industry

The fashion industry is one of the most complex and globally scattered industries, which has resulted in a lack of transparency (Barnes & Lea-Greenwood, 2006; Perry & Towers, 2013). Evidence from the interviews supports this view as supply chain transparency and traceability were seen as major challenges for retailers. CoB noted improved transparency is a challenging long-term process and they are aiming to improve it by closely working together with their suppliers. CoC have included supply chain transparency requirements into their purchase contracts. According to both NGOs a way of increasing and improving transparency and traceability would be to disclose supplier lists. Furthermore, audit reports should be published to ensure that conducted audits are legit and trustworthy (NGO1).

All interviewed retailers have disclosed all or the most significant suppliers on their web pages, which is an improved step towards transparency in the Finnish fashion industry. In the supplier lists the name of the supplier, the name of the factory, the address and the country are provided however it is not possible to trace the origin of a certain garment from the supplier lists. Another challenge identified by both CoA and CoC is to ensure safe and ethical working conditions for workers at the supplier level, which could further be linked to issues of transparency. CoA pointed out that working towards improved working conditions is a clear priority for them and they have implemented their own codes of conduct and have been a member of the Business Social Compliance Initiative (BSCI) since 2005 to further improve working conditions in their supply chain.

4.2 CSR Implementation in the Finnish Fashion Industry

The fashion market is a highly competitive market where corporations try to squeeze the prices as low as possible to increase margins and gain a competitive advantage on the market (Barnes & Lea-Greenwood, 2006; Fernie & Grant, 2015; Perry & Towers, 2013). However, this cannot be done at the expense of proper working conditions and human rights for garment workers and thus social criteria should be of importance while choosing suppliers. Evidence from the interviews also supported this view. Supplier qualities such as price, lead times, quality, production, and capacity were of importance for the retailers while choosing suppliers. However, sustainability criteria, such as environmental aspects and working conditions were also seen as important aspects for the respondents while choosing the supplier.

All respondents pointed out the importance of supplier codes of conduct, or as CoA referred to it as the ‘backbone’ of their buying practices, as factories are not owned by the retailers. CoA disclosed in their 2016 CSR report that suppliers are scored with a ‘supplier scorecard’ on how they perform in accordance with the codes of conduct and those with the best scores receive the most orders, hence motivating suppliers to perform according to the codes. Furthermore, all respondents are members of BSCI, which commits suppliers to follow BSCI codes of conduct including fair remuneration, occupational health and safety, and ethical business behaviour. CoB pointed out that it was especially important for the non-EU suppliers to be covered by BSCI, or other audit systems as the risks for social issues occurring are bigger in countries outside EU. CoB has 99% of their non-EU products covered by an audit system and CoC audits 97% of products sourced from risk countries. CoA conducted 123 BSCI audits in factories located in risk countries as well as 92 of its own audits.

However, according to NGO1, the BSCI audits do not go far enough as “*Too much relies on auditing . . . it has been shown that many factories cheat and that it’s* *easy to cheat... I once visited a seminar where they showed a website on how to pass BSCI audits [laughing] so I think that companies can't entirely outsource all their responsibility to BSCI*". NGO2 argued that it is easy for audited factories to advise workers in advance on how to behave and what to answer during audits and considered it would be more effective if factory workers were interviewed outside factories during audits as it would make them feel more comfortable and possible issues at factories could be detected. Sub-contracting has been identified as a barrier to implementing CSR into companies purchasing practices as codes of conduct are solely covering the first-tier suppliers and excluding other suppliers. CoA noted that they have a section in their buyer-supplier contract forbidding suppliers to sub-contract without informing them as the control and visibility over supply chains deteriorate when sub-contractors are used.

Violation of human rights, safety issues, and unfair remunerations are topics constantly covered by the media and NGOs (Klassen & Vereecke, 2012; Perry & Towers, 2013; Turker & Altuntas, 2014) thus requiring focal companies to take into consideration these social issues into their corporate performance. All these aspects are included in the Finnish fashion retailers' supplier codes of conduct. All of respondents pointed out that any violation of human rights is considered a serious issue and as CoB noted: "*We have zero-tolerance for human rights violation in our supply chain. If we find out that there have been such violations in our supply chain we address these with our suppliers. Our primary measure to address these issues is not to terminate the relationship but to help the supplier improve their operations. But if the supplier fails to act in a manner consistent with the principles of our sustainability principles we are forced to terminate the cooperation*." As the right to fair remuneration is a common problem in poorer sourcing countries respondents mentioned it is included in their supplier codes of conduct. "*The remuneration for a regular workweek should be sufficient to provide the workers with a decent living and meet the workers and their family's basic needs. However, it needs to be addressed that reasonable working hours and living wage continues to be major challenges for the industry. We collaborate with manufacturers and joint industry initiatives to promote solving these issues*" (CoB).

4.3 Purchasing Practices for Improved CSR Implementation

According to Perry and Towers (2013), three purchasing practices prevent the implementation of CSR in fashion supply chains: last minute changes of order, short-termed buyer-supplier relationships, and unreasonable lead-times. However, evidence from this study showed that long-term buyer-supplier relationships are important for Finnish fashion retailers: "*We prefer long-term relationships with our suppliers and we have been working with some of our suppliers for decades. Longer relationships offer greater opportunities to continuous improvement and development work in terms of e.g. quality and sustainability issues*" (CoB).

On the other hand, CoC mentioned that long-term relationships were not established with all of their suppliers due to reasons such as poor quality or delivery issues. Finnish fashion retailers are aware of last minute change issues and pointed out the importance of continuous and active dialogue with suppliers to avoid last minute changes. "*It is something that we are very aware of at head office and especially in our local production office. It is not allowed to make changes later than a certain date and you cannot make any change you want either. Our production office is seeing to this. If we anyway decide to make a late change and the supplier agrees to it, we have to take a new later delivery date and maybe an upcharge on the price as well*" (CoA).

Lastly, CoA and CoC both responded they are ensuring reasonable lead-times by having a close dialogue with the suppliers and agreeing on reasonable delivery times. CoA also conducts factory visits to ensure that production is going according to plans and under ethical and sustainable working conditions. CoB noted that they are aiming to follow their internal master processes and schedules to avoid last minute changes and push lead-times that are too short.

4.4 Consumer Awareness

Consumer awareness and increased concerns about sustainability issues in the fashion industry has been identified in the literature (Caniato et al., 2012; Seuring et al., 2008; Shen et al., 2012). Furthermore, sustainability in the fashion industry is a relevant topic in Finland and has been covered in the Finnish media several times during spring 2017 (e.g. Palttala, 2017; Räty, 2017). During the focus group interviews, it was clear that the respondents were aware of the social issues and disasters occurring in the fashion industry, such as poor wages, long working hours, child labour and most of them had heard of the Rana Plaza factory collapse. However, some respondents commented that these issues were not covered enough in the media, especially in Finland. Increased knowledge about ethical issues in the sector increases the likelihood that consumers choose ethical clothes (Shen et al., 2012).

Many of the respondents considered being aware of the issues and concerned about them but as one respondent (FG1, male, 29 years) commented "*Yes, I'm aware of the working conditions in South East Asia and when I see that clothes are produced in Bangladesh I think about it but this thought lasts about 5 minutes and then it's gone and I choose to buy it.*" Another respondent (FG1, female, 26 years) also commented that "*…it's not something we are exposed to in our daily life and that's why I think we forget it so easy*". Furthermore, NGO2 believes consumers do not want to think about bad and sad things and therefore continues supporting the fashion industry despite being aware of these issues. NGO1 agrees consumers are aware of what is happening in sourcing countries but price is still the most important factor for consumers and that consumers are not ready to change their behaviour.

4.5 Barriers to Ethical Fashion

Lack of awareness, negative perceptions, distrust, high prices, and low availability has been identified as barriers for ethical fashion (Joy et al., 2012). All these were raised by respondents as obstacles for consuming ethical clothes. Price was by far the most relevant factor affecting young consumers, as prices of ethical clothes are perceived as expensive, especially among students. One respondent (FG2, female, 24 years) commented she is really interested in fashion and is drawn to shops like ZARA because they offer clothes copied from the catwalk but at a much cheaper price, which is exactly what the fast fashion sectors aims to do (Fernie & Grant, 2015). However, respondents pointed out that much depends on what type of garment you are buying: "*...it all depends on what you are buying, if I'm buying socks it doesn't matter where I buy it and for what price, but if I buy a jacket I choose a more expensive, higher quality that I know will last for many years*" (FG1, male, 29 years). NGO2 identified consumption behaviour as a reason for major challenges in the fashion industry and therefore consumers should be more thoughtful what they purchase. The lack of transparency about clothes entire lifecycle was also something the respondents experienced as challenging. "*Although the price to a certain extent reveals under what kind of conditions the clothes have been made I know that there are clothes that are really expensive but are made under exactly as poor conditions as the cheaper clothes are made and that frustrates me*" (FG3, female, 25). Several respondents commented they would like more information about what they buy and that they would be willing to pay more for the clothes if they would be certain the clothes were sustainably produced and under ethical labour conditions. Beyond barriers identified by Joy et al. (2012), respondents noted lack of power as another obstacle for ethical fashion; they believe that as individuals they cannot change the system and affect big players such as H&M with their consumer behaviour. However, NGO1 pointed out the importance for consumers to be active citizens, which means putting pressure on retailers and governments and letting them know that consumers are concerned about these issues.

4.6 Changes in Consumer Behaviour

One respondent mentioned she had boycotted H&M and ZARA for 1 month after watching a documentary on the working conditions in Bangladesh. Both NGOs commented that boycotting should not be used without informing the retailers about it. "*If you boycott a company tell them that and don't just be a silent boycotter. Let your voice be heard through many channels, to decisions makers, companies to your friend and colleagues and on social media. Raise your voice and put pressure*" (NGO1). Respondents also suggested that as consumers they should demand more from retailers, such as asking the shop staff about the origin of the clothes and demanding more visibility about the products origin both in stores and on websites.

This was also supported by the NGOs as they pointed out the importance of asking retailers about the lifecycle of the clothes to ensure better transparency.

Such consumer behaviour can influence fashion retailers, which in the long run can have positive impacts on the working environment for the garment producers (Joy et al., 2012). Respondents also identified social media and word-of-mouth as efficient ways to increase awareness and knowledge about these issues. "*There are many of my friends that are against fashion retailers such as H&M and of course it affects me as well. Discussions with my friends have opened my eyes to these problems and I don't want to support it when my friends are not doing it*" (FG2, female, 21 years). Many female respondents pointed out that they were recycling their old clothes, either giving them away to charity or selling them to someone else instead of throwing them away. Furthermore, the usage of flea markets and websites where clothes are sold within a specific area of Helsinki are new ways for consumers to sell and buy used clothes.

The majority of the respondents believe they have changed their consumer behaviour during the last few years, buying quality instead of quantity and making more thoughtful purchasing decisions and less spontaneous ones. However, many respondents believe a change towards ethical and sustainable fashion is changing slowly as they are still heavily influenced by the consumption society we live in. The Finnish fashion retailers confirmed increased consumer awareness about sustainability with CoB commenting "*Consumers are increasingly aware of the impacts of their consumption and are more interested in knowing where, how and by whom their products have been made*" [but] "*. . .they are not yet willing to pay a premium price for more sustainable products*."

5 Conclusions, Limitations and Future Research

Our study contributes by extending existing theory on CSR implementation in retailer purchasing within a Finnish context, as well as providing insights into Finnish fashion consumer behaviour. The lack of transparency along supply chains is the biggest challenge for Finnish fashion retailers however they have taken steps toward improving transparency by publishing supplier lists, which increases both transparency and traceability for stakeholders. These retailers are implementing CSR into their supply chains through carefully selecting suppliers and taking sustainability criteria into account including audit systems such as BSCI. Respondents emphasised supplier codes of conduct as a cornerstone for maintaining social responsibility along the supply chain. The most distinctive finding was that long-term buyer-supplier relationships were established between Finnish buyers and their suppliers to reduce purchasing barriers such as last minute changes and lead-time pressure. Finnish fashion retailers consider safety and human rights are important aspects in their supply chains, and corrective action plans and close collaboration with suppliers were identified as important tools. Finnish fashion retailers are also working towards providing the garment workers with fair remuneration through collaboration with unions and other sector companies to encourage governments to increase minimum wages.

Finnish consumers are aware of social issues occurring in the fashion sector and the negative impacts their consumption behaviour entails. However, price and availability were identified as main factors affecting purchase decisions. An increased interest in supporting ethical fashion was identified but a lack of ethically and sustainably produced clothes on the Finnish market, especially clothes considered appealing to younger consumers, was identified. Hence, there is a need for more ethical fashion brands to enter the Finnish market. Finally, Finnish fashion consumers pointed out a lack of media attention for these issues and also that increased media coverage would increase knowledge about social issues among consumers.

The main limitation of this study was its small study sample size of only three retailers and two NGOs firms, and a small number of focus groups in a limited age range. Accordingly, given these limitations and the exploratory nature of this study several suggestions for future research are proposed. While we believe this study provided a contribution regarding CSR perspectives in the Finnish fashion retail sector, future research should broaden the study through a large-scale study for other Finnish fashion retailers. Another suggestion could be to conduct a more intensive qualitative study, for example a study of a single retailer's CSR processes throughout its entire supply chain might give a much more in-depth and step-by-step view of the supplier selection and monitoring process to identify any issues not found in this or other studies. Research could also investigate views of the Finnish government on providing overview guidance or incentives for fashion retailers to adopt better CSR strategies. Finally, future research should consider an extensive quantitative survey of Finnish consumers across all age ranges to ensure the findings from the focus groups fairly reflect the views of the wider population.

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