Corporate Morality: Analysis of Corporate Social Responsibility and Generation Z's Purchasing Habits

Kathryn Healy[1] and Jennifer Poole[#]

[1]Walter L.Sickles High School, Tampa, FL, USA
[#]Advisor

ABSTRACT

This study examines Generation Z's buying habits and whether a company's social responsibility (CSR) impacts purchasing decisions. A content analysis was conducted using nine factors (sustainability prominence on website, human rights prominence on website, mission statement, source of manufacturing, percentage of line dedicated to recycled product, independent/accredited agencies involving recycling and sustainability, independent/ accredited agencies involving animal welfare, independent/ accredited agencies involving worker welfare, and the "Good on You" rating) in order to evaluate nine different apparel companies impact on environmental, social, and overall company production aspects. The companies used were Nike, Adidas, Vans, Ugg, Patagonia, New Balance, North Face, Levi's, and Under Armour. This content analysis was paired with a survey to determine which factors were relevant to consumers and if CSR influenced purchasing habits.

Introduction

There are many factors that go into the decision-making process of consumers. When considering what to buy, typical factors are brand quality, popularity, and fit. These factors are part of what defines a brand, but there are additional considerations. Some consumers are interested in the core of what a company represents. This is demonstrated in its commitments beyond the traditional factors that directly impact customers. There are more ethical factors including environmental, social, and economic responsibilities which together define a company's social responsibility (CSR) (Gonzalez 1). A company's dedication to CSR is important as it shows commitment beyond direct sales and profits. However, companies make these commitments to better connect to their consumers, create stronger brand affinity, and grow their business. Considering the average person spends $1,883 on apparel annually (Consumer Expenditures 1), there are significant economic benefits with successfully balancing traditional and ethical factors. In other words, companies can do good while doing good.

In the era of social media and constant awareness around a company's external commitments, Generation Z is the most informed generation when it comes to selecting different brands. In addition to factors like fit, popularity, and price, Gen Z can evaluate different brands based on their moral, social, and environmental responsibility (MSE).

This study aims to investigate Generation Z's purchasing habits to see if there is a correlation between customer brand affinity and a company's ethical standards. Through this research one will be able see if Generation Z acknowledges different CSR efforts in their apparel purchasing habits from a set of pre-selected companies.

Literature Review

Generation Z

A generation is a group of people who witness similar events at a common age. They tend to have aligned views and share a similar environment. Generation Z consists of anyone born between 1997-2012 (Dimock 4). Currently any person 10 to 25 years old is part of Generation Z. Generation Z is a powerful consumer group because they have purchasing power themselves coupled with influence over other's purchases. One of the primary similarities among people in Generation Z is their technological knowledge. This generation has never been without the internet on mobile platforms and has learned to navigate media and other applications from a young age. As peer acceptance is important to this generation, they value authenticity. They face school violence, economic uncertainty, tweendom[1], and, more recently, the COVID-19 pandemic. Generation Z values the family unit, supports traditional beliefs, and is more responsible and self-controlled than previous generations. With a confident and optimistic demeanor, those in Generation Z believe they can truly impact the world. "They quite possibly are the most imaginative generation and they think more laterally according to the Journal of Behavioral Studies in Business" (Williams 1).

The researcher chose to examine Generation Z in this study due to this group's spending influence on the economy. In 2020, Generation Z made up 26% of the U.S. population making them the biggest generation (US Population by Age and Generation in 2020 1). With the generation's large numbers and purchasing power, they are one of the most impactful consumer groups. In 2017, "more than 70% of Generation Zers said they influence their family's spending" (Meet your future power shopper: Gen Z 1). Specifically in 2018 this would mean those who said they had influence, controlled 93% of their families purchasing decisions (Uche 20). While Generation Z has a disproportionate amount of spending power within their families, they also have great economic power themselves. Generation Z's spending power is recorded to be up to $143 billion as of 2018 (Uche 20). In addition to their direct purchasing, parents, grandparents, and other friends and family also purchase goods for Generation Z which increases the economic impact of the Gen Z group of consumers. Generation Z is also a primary demographic to which marketing is directed today.

History

In the past decade, companies have become gradually more transparent with their production and practice methods. Consumers have become more aware of the impacts of these actions, entering a period of so-called "social wokeness." This has led consumers toward a path of desiring more sustainable products and ethical brands. Generation Z aligns with this ideal as 62% prefer to buy from sustainable brands (Petro 2). Sustainable fashion, however, was first taken negatively by consumers. Greater acceptance was influenced by multiple industrial disasters. Fast Fashion's[2] faults were highlighted in 2013 through the collapse of the fashion factory Rana Plaza in Bangladesh where 1330 people died and 2500 were injured (Kusá 1). Popular companies such as Walmart, Gap, and Adidas manufactured goods at Rana Plaza during this time (Collapse at Rana Plaza 1). This and other tragedies helped spark interest in the advantages of ethical fashion (Kusá 1).

With the ubiquity of social media, brands have been forced to be more upfront with information. News now travels faster than ever and can be accessed through the click of a button. Multiple studies have shown that consumers will pay more attention to negative information than to positive. An incident with negative perception regarding manufacturing or sourcing can have significant consequences. 74% of Generation Zers spend their free time online (Uniquely Generation Z What brands should know about today's youngest consumers 3). Consequently, social media has been a substantial influence and is engrained in everyday life. In Generation Z, 41% are influenced by Facebook ads, 30% by YouTube videos, and 26% by Instagram (Meet your future power shopper: Gen Z 2). Brands must continuously show their commitment to consumers in order to be relevant and be successful in this technologically advanced world.

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[1] The push of a Tween lifestyle heavy on teen aspiration that results in the loss of childhood.

[2] Quickly released apparel and accessories with a fast delivery time to retailers to meet the high demand, but short renewal cycle and negative impacts throughout production processes.

Carroll's CSR Pyramid

Desired by society:
As consumers understand the complexity around building and sustaining a successful business, consumers want companies to be the "the better man" in the economic world.

Expected by society:
Companies are expected to be ethical as consumers don't want to knowingly take part in causing harm through consumer behavior.

Required by society:
A company has to abide by the rules in order to be accepted and respected.

Required by society:
A company has to make a profit in order to be successful and contribute to the economy.

PHILANTHROPIC
Be a good citizen and contribute to the community

ETHICAL
What is right and fair; avoid doing harm.

LEGAL
Obey the law; know what is right and wrong.

ECONOMIC
Be profitable.

Sources:
Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business horizons*, 34(4), 39-48.

Uche, S. (2018). Generation Z and Corporate Social Responsibility. Syracuse University. *Ann Arbor.*
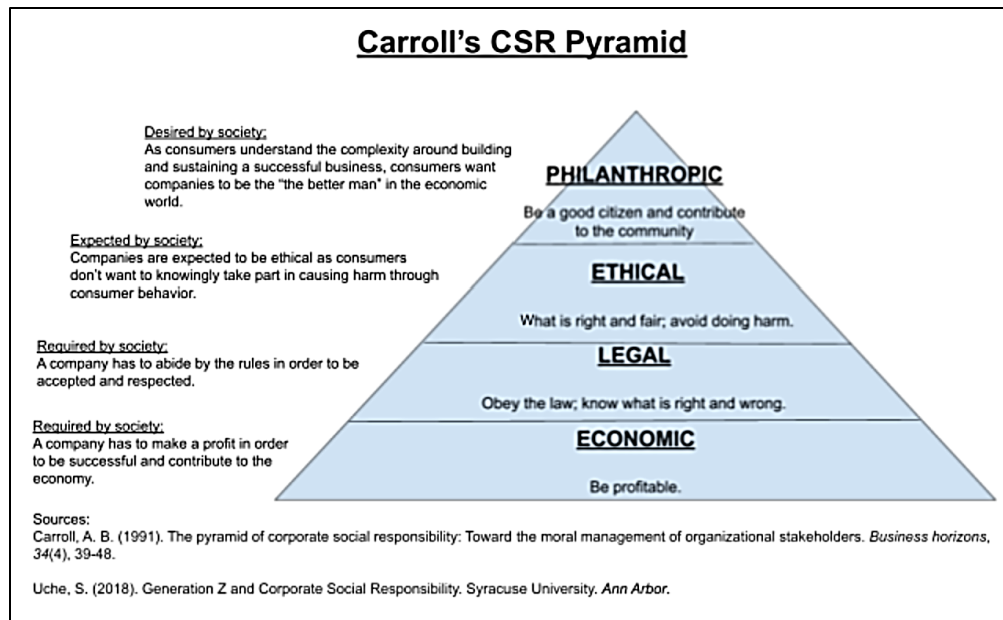
Figure 1. Carroll's CSR pyramid provides the business-consumer relationship regarding CSR qualities. Researchers and companies utilize this pyramid to gage a company's involvement and level of CSR commitment.

Successful brands must communicate their CSR clearly to strengthen their relationship with their consumers. As CSR dedication is growing in importance, diagrams, such as Carroll's CSR Pyramid (Figure 1), help brands understand what consumers expect. A company utilizes CSR to gain trust from consumers. The higher a company is on Carroll's CSR Pyramid and the longer a company maintains that position, the more trust that company has with consumers. This is indicative of the type of research done to understand brand affinity.

Mission Statement

A successful mission statement should guide a business and its employees through any decisions and actions. A mission statement is "a written formal document that attempts to capture an organization's unique ad enduring purpose and practice. It is a declaration of an organization's businesses or reason for being" (Alawneh 75). Businesses should show commitment and progress toward their mission statement goals as well as have them be inspirational to consumers. A mission statement should be unique to its company, and it should help separate a company from rivals. Peter Drucker, famous business writer who has been described as the founder of modern management, best described the relationship between a mission statement and its goals. He noted that "a business is not defined by its name, statutes, or articles of incorporation. It is defined by the business mission. Only a clear definition of the mission and purpose of the organization makes possible clear and realistic business objectives" (Ireland 36). Analyzing a company's mission statement and the commitment behind it will reveal a company's dedication to CSR action. A company's mission statement should be what they are always striving to achieve.

Sustainability

Fast Fashion has become the new industry norm since the early 2000s (Salter 1). This form of fashion has grown exponentially due to its ability to quickly meet supply demands and provide easy access to goods. This expedited fashion exercises, however, many shortcuts leading to shorter renewal cycles and a multitude of negatives impacts in its wake throughout the production process. Consumers, realizing these negative side effects, asked the fashion

industry to improve upon its output methods and the term sustainable fashion was born. These efforts to maintain sustainability are still in effect, for example, through the government issued 2030 Agenda. This agenda includes 17 objectives and 169 goals to be reached by 2030 by the governments of its member countries. The 2030 Agenda revolves around 3 key pillars: economic growth, social inclusion, and environmental protection (Gazzola 5). For the purpose of this study, the researcher is only focusing on the third pillar for sustainability. Sustainability will be defined as being eco-friendly. Companies that value sustainability take steps towards minimizing waste, using recycled products, and using resources that have minimal impact on the environment.

As the fashion industry grows, so does its environmental impacts, making it more important than ever to focus on sustainability. The demand in clothing production increases about 2% annually (Niinimäki 189). This constant growth causes a constant strain on the environment and its resources; there is never time for the environment to recover. Every year the fashion industry uses more than 98 million tons of non-renewable resources. Nonrenewable resources such as oil, fertilizers, and other chemicals are used throughout the production and finishing processes (Gazzola 6). For example, over 15,000 different chemicals are used throughout the textile industry (Niinimäki 193.) The apparel industry is also responsible for 20% of industrial water pollution, most of which is used for textile cotton cultivation and wet processes (Niinimäki 189 and 191). The apparel industry has a large impact on the environment due to a high turnover rate of fashion where negative impacts continue to increase.

The average American consumer purchases an item of clothing every 5.5 days (Niinimäki 189). This is a high output of clothing that leads to an even higher output of waste. Since 2005, the average life span of a garment of clothing has decreased by 36% (Niinimäki 190 and Gazzola 7). The faster certain clothes fall in and out of style, the fewer clothes are worn. People impulse buy and purchase new clothes every week to try to stay on trend. This leads to an excess in clothes, where there are too many clothes that don't get adequate use and where people don't wear certain things a month later because they're not "cool" anymore. This waste created over purchasing clothes by consumers is called post-consumer waste. In 2012, out of the 150 billion garments produced globally, about 60% were discarded by consumers in the first 2-3 years (Niinimäki 195). The manufacturing process also plays a part in overall textile waste. Studies have found that 15% or even 25-30% of fabric used in garment manufacturing is wasted (Niinimäki 195). Along with manufacturing waste, deadstock also makes up pre-consumer waste. Deadstock is new and unworn items that are unsold. H&M for instance, was recorded as having $4.3 billion in deadstock in 2018 (Niinimäki 195). To dispose of deadstock, many companies incinerate clothing which generates additional emissions and air pollutants. The concept of deadstock clothing contributes to wasted materials, effort, and resources used to make the product. The waste is disposed of and only minimal amounts of the energy can be salvaged. Instead of being wasteful with apparel after the time and resources involved, companies should be repurposing items in order to appreciate the resources used.

The increasingly shorter life span of apparel and the excessive number of resources used in their production continue to create more problems for the environment. As developing countries largely produce textiles and clothing, they experience the environmental impacts without reaping the benefits or being fully responsible (Niinimäki 191). Developed countries are making their demand in apparel a problem for developing countries and for the environment in general. The fashion industry, as it stands now, is an environmental threat. It's designed as a linear model where resources are simply taken, made into clothes, and then disposed of with no intuitive thought. Instead, companies should focus on advancing towards a circular model. This type of model is dedicated to production efficiency, recycling, and reusing. The circular type of model aims to get the most use out of a product and resources (Niinimäki 198 and Gazzola 7). Some companies have taken initiative towards a more sustainable path through certifications or programs. One example is the Better Cotton Initiative (BCI). The BCI strives to create a more sustainable method in cotton production through educating and supporting farmers. Other independent agencies that focus on improving company sustainability include the Leather Working Group (LWG), Bluesign, the Sustainable Apparel Coalition, and the Outdoor Industry Association (OIA). Although it is ideal for companies to focus on economic revenue, developing a sense of tunnel vision around profit margins comes at a cost. This causes a business to neglect or overlook negative impacts. The overuse of resources and waste produced results in resource shortages in the future. Having to operate

without the resources needed to make products will be more detrimental to the fashion industry and the economy than some of their profit margins now. In order to improve on sustainability, brands should be more conscious and concerned about production and disposal methods.

Animal Welfare

Animals have always been used as materials in goods. Research into lice DNA shows that humans started using animal hides in clothing 170,000 years ago (Plannthin 54). In past years, the main focus of ethical fashion has been centered around environmental factors and occasionally worker welfare, however, newly defined morals and changing practices over the past forty years have led to a consumer awakening and recognition of animal treatment throughout the production process (Sneddon 1). Originally, groups like PETA (People For The Ethical Treatment of Animals) were the only organizations concerned with animal welfare. Since animal rights activist groups like PETA can take ideals and actions to an extreme, many animal welfare issues were overlooked by the general public due to their aggressive tactics. Through social media, new standards, and transparency measures animal welfare is now being taken more seriously by companies and by consumers.

Animal welfare can be defined as humans avoiding any harm or exploitation to animals. This can be achieved through meeting the appropriate standards in feeding and general care, accommodation, preventing and treating disease, and avoiding any unnecessary pain or discomfort (Plannthin 62). Animal cruelty in the apparel industry affects over 50 million animals (Mboga 175). For example, the average fur coat takes 10-20 foxes to produce (Plannthin 92). The more animals used in a product, the higher chance of mistreatment in the production process as many companies are focused on profit and output values. Another animal used in clothing is birds such as ducks and geese. Although there are many humane and ethical ways to collect feathers and down, there are also many unethical approaches. One method, live plucking, involves holding conscious birds upside down with their feet tied and ripping their feathers off multiple times a year (Nistor 511). Even though live-plucking is illegal in Europe and the United States, it is a common practice in European countries and China (Plannthin 111.) While live-plucking is illegal in the U.S. that doesn't mean the U.S. doesn't import goods that were created through unethical methods. Asia is responsible for 65% of the world's production in feathers with the remaining being supplied by mostly European countries (Nistor 510). With such a significant amount of imports from environments where they're known to have illegal plucking without consistent oversight, there's bound to be imports of illegally live-plucked feathers by the U.S. These are just a couple of examples of animal mistreatment taking place in the production of clothing to be sold in the U.S. In order for there to be significant changes in animal welfare policies and enforcement, companies must recognize that animals must be treated with more respectful care in contrast to other materials used: harvesting plants or other man-made fibers. Animals and humans have similar central nervous systems that experience pain and pleasure. If companies can perhaps recognize a resemblance between animals and humans, both being living, feeling creatures, they can start to see the need for change in animal treatment in the production of goods.

If companies cannot comply with humane and respectful animal welfare practices, while maintaining transparency, there may be a need to switch to materials that are not originated from animals or use man-made materials which are similar in appearance (Plannthin 65 & 54). The researcher does not argue to completely remove the use of animals in clothing, but aims to present the available viewpoints to help advance the reader's understanding of different methods or practices that are used. Without oversight, change in practices, and consumer awareness it is difficult to spur change that is needed.

Worker Welfare and Human Rights

U.S. based companies utilize international manufacturing to maximize profits. These brands use third parties in foreign countries to manufacture or finish apparel goods. U.S. companies take advantage of the foreign countries' reduced labor cost (Arrigo 3). While this process is effective in expanding profit margins, it can be the source of unsafe working

environments, health hazards, and inadequate living wages. For example, on April 24, 2013 in Bangladesh, the Rana Plaza complex collapsed due to poor structural integrity. The collapse killed 1,133 people and injured others. Fires have also occurred trapping and killing workers. Neglected safety inspections, locked doors within factories, and cramped working conditions have contributed to the death and injury toll in the manufacturing field (Salter 6). Studies show that workers' health is also affected. It is reported that 88% of female factory workers suffer from chronic headaches, 75% from joint pain, and 69% from depression (Mahmud 185-186). Over 15,000 different chemicals are used during the manufacturing process in the textile industry. Nausea, diarrhea, cancers, and respiratory diseases are symptoms of heavy agrochemical use. About 1,000 deaths a day is caused worldwide by acute pesticide poisoning along with other permanent side effects (Niinimäki 193). Not only are workers subjected to work in horrendous conditions that effect their health, they also don't get compensated for it. In the apparel industry, less than 2% of workers globally can live off the wage they make (Salter 7). Companies tend to disrespect or neglect their own corporate workers in overall company diversity, equal pay despite gender or race, or proper work environments.

Source of Manufacturing

In the last 50 years, the ratio of clothes purchased per person annually has increased exponentially. In order to keep up with the demand of consumers, the U.S. outsources the majority of its manufacturing. Due to trade agreements such as the North American Free Trade Agreement (NAFTA) and the Caribbean Basin Initiative (CBI), globalization of the U.S. textile and apparel industry has grown in the last decade. Through foreign third parties, companies have access to lower trade barriers and cheaper labor. This combination allows brands to produce clothes faster and cheaper, giving them the ability to remain competitive and meet demands (Collison 4 and Su 1). A main attraction for outsourcing is the overall reduction in costs. For example, Bangladesh, a less-developed country (LDC) and the second most used exporter behind China on the planet (Ahmed 1), only prices garments at $2.79 per square meter. When compared to Turkey, a more developed country (MDC) like the U.S., garments are priced higher at $7.38 per square meter (Hasan 152). The U.S. heavily capitalizes on outsourcing and relies on the advantages it brings. As of 2006, less than 2% of clothing production is conducted in the U.S. (Collison 4). The farther away a brand's manufacturing is done, the less control and supervision a company has over production quality and ethical practices. The dramatic increase in outsourcing across the apparel industry has been a main impetus for issues with sustainability, animal welfare, and worker welfare.

Similar Studies

Companies are always trying to assess their consumers and since Gen Z is the fastest growing generation, the research pool for Generation Z's purchasing habits is dense. Dorota Cikánová used a survey to study the relationship between consumers' understanding of ethical fashion, their willingness to pay for it, and their beliefs on whether ethical fashion is a brand's responsibility or duty. The relationship between demographics and consumers' decision to buy ethical fashion was also analyzed. In her study she found that 55.75% of participants were willing to pay substantially more for ethically made fashion (Cikánová 44). Another study, conducted by Çağla Ariker and Andaç Toksoy, examined the relationship and hierarchy between factors that impact Gen Z's purchasing intention and companies who have CSR programs. Ariker and Toksoy found that the majority of Generation Z do not have strong intentions to purchase CSR related products and that the most important factor to Generation Z is affordable price (Ariker 496). Currently there are multiple perspectives in the field regarding Generation Z's purchasing habits and whether Gen Z consumers consider or participate in ethical fashion.

The researcher's mentor study comes from researchers Camilla Gonzalez and Sanne Swednås at Halmstad University. Their study focuses on the consumer-brand relationship and how the strength of that relationship can lead to brand resonance. For the purpose of this study, the researcher takes inspiration from the layout of Gonzalez and Swednås's study. The researchers from Halmstad University first ask general questions pertaining to their topic to

understand their participants viewpoints allowing for comparison. These initial questions accessed participants' understanding and compassion for brand ethics alone. Groups were then given a group of brands to evaluate twice. An initial evaluation and then an evaluation after being given information that concerns each brands' social responsibility. The Halmstad University researchers used a survey for all of these steps. Gonzalez and Swednås found that 58.06% of participants abandoned their ethical values, after claiming that they valued them highly. The Halmstad researchers concluded that this result meant that participants reached brand resonance and valued brands more than their ethical values (Gonzalez 24).

The research performed in this study takes inspiration from Gonzalez and Swednås's layout, as the Halmstad researchers asked participants initial questions in a survey followed by two sets of brand evaluations. In this study, however, participants were asked to rank and score brands on multiple criteria. The corporate social responsibility (CSR) violations presented for each brand were also from a content analysis assessment performed by the researcher. Despite all the current research in the field it does not address these specific criteria (sustainability prominence on website, human rights prominence on website, mission statement, source of manufacturing, percentage of line dedicated to recycled product, independent/accredited agencies involving recycling and sustainability, independent/ accredited agencies involving animal welfare, independent/ accredited agencies involving worker welfare, and "Good on You" rating) or analyze specific popular brands (Nike, Adidas, Vans, Ugg, Patagonia, New Balance, North Face, Levi's, and Under Armour) in regard to their ethical values. This study will be evaluating Generation Z's perceptions of brands based on their altruistic mission statements, practices, and production methods. The study will assess whether there is a correlation between customer brand affinity and a company's ethical standards.

Methods

The researcher chose to use a combination of a consumer survey and data analysis in order to effectively evaluate Generation Z's perceptions of brands based on their altruistic mission statements, practices, and production methods. The survey is multi-dimensional in that it allows the researcher to collect consumer data on preferences, underlying drivers of preference, demographics, and drilled down detail on knowledge or concern over CSR. This robust data allows the researcher to segment the results into true insights. Using data analysis, the researcher created a broad scorecard incorporating nine factors to fully assess each company's commitment to CSR. These nine factors include commitments made directly by each company as well as assessments made by independent agencies. This dual research method allows the researcher to compare the participants' responses to the data analysis results. Using these two methods allows the researcher to compare real life data with statistics and fully analyze Generation Z's purchasing habits.

Content Analysis

For this study, the researcher chose to evaluate and use the following apparel brands: Nike, Adidas, Vans, Ugg, Patagonia, New Balance, North Face, Levi's, and Under Armour. These specific apparel brands are popular among Generation Z and each have some aspects of CSR, allowing the researcher to get a broad distribution of CSR commitments for the study. Each brand has made multiple "Gen Z top brands" lists, is widely known for being popular with Gen Z, and has CSR layouts on their websites. The researcher chose to only assess apparel brands as it is one of the biggest industries and is constantly growing. The U.S. apparel industry has grown from 1.7 trillion in sales in 2017 to 1.9 trillion in 2019. It is predicted that in 2030, the U.S. apparel industry will generate a total of 3.3 trillion dollars in sales (Retail sales of the global apparel and footwear market 2017-2030).

The researcher chose to include the "Good on You" ethical rating system. The researcher wanted to augment their own research efforts by including a thorough independent assessment that aggregates accreditations, certifications, and standards for a company's CSR. By adding the "Good on You" system, the researcher is able to leverage

additional resources to mitigate limitations in the availability of CSR detail for any of the pre-selected companies. For further information on the "Good on You" rating system see Appendix A.

For the content analysis, the researcher chose to evaluate the pre-selected brands on 9 factors: sustainability prominence on website, human rights prominence on website, mission statement, source of manufacturing, percentage of line dedicated to recycled product, independent/accredited agencies involving recycling and sustainability, independent/ accredited agencies involving animal welfare, independent/ accredited agencies involving worker welfare, and the "Good on You" rating.

Sustainability and human rights prominence on each brands' website show how important those factors are to a company's brand. For example, if a company has brand commitments on sustainability throughout the home page, it is evident that the company prioritizes that factor and it is built into how they go to market. Inversely, if sustainability is a simple link at the bottom of the home page, then it is of much less importance to the brand. Similarly, having a mission statement that only focuses on product or brand positioning components suggests CSR is less important when compared to a company that makes altruistic environmental or social goals in their mission statement. The source of manufacturing and how extensively they use recycled products provides insight into a company's priorities beyond profitability. The remaining factors revolve around how often each company has met the standards of independent assessment agencies. Having more stamps of approval from accredited agencies show that a brand is willing to make certain compromises or changes to manufacturing or sourcing practices. These factors were chosen because the researcher thought they provide a holistic view of each company's commitment to CSR and are a sound basis for building an aggregate assessment.

In order to conduct the data analysis portion of the study, the researcher used Excel Spreadsheets to form point systems from the data collected. To collect the figures for the researcher's point system, each brand's website was analyzed.

The researcher first decided which brands and factors to use for the data analysis, which are previously mentioned. The researcher then created separate scoring systems for each factor:

Table 1. Company's Sustainability Commitment Scale

Points Awarded	Sustainability Prominence on Website
+4	Prominent (top of page or throughout whole page)
+3	Exists at top of page (link)
+2	Exists at bottom of the page (direct link)
+1	Exists at bottom of the page (not direct link)
+0	Not present- Is not mentioned

Table 2. Company's Human Rights Commitment Scale

Points Awarded	Human Rights Prominence on Website
+4	Prominent (top of page or throughout whole page)
+3	Exists at top of page (link)
+2	Exists at bottom of the page (direct link)
+1	Exists at bottom of the page (not direct link)
+0	Not present- Is not mentioned

Table 3. Company's Mission Statement Breadth Scale

Points Awarded	Mission Statement
+1	For having a mission statement
+1	For something beyond just running a business
+1	For environmental factors
+1	For social justice (doing good for mankind, leave the world a better place than it was, etc.)

Table 4. Company's Source of Manufacturing Scale

Points Awarded	% Manufactured in the USA
+4	31%+
+3	21-30%
+2	11-20%
+1	0-10%
+0	No information provided

Table 5. Company's Recycled Material Scale

Points Awarded	% Of Product Made from Recycled Materials
+4	76-100%
+3	51-75%
+2	26-59%
+1	0-25%
+0	No information provided

Table 6. Company's Affiliation with Agencies or Certifications Scale

Points Awarded	Number of Independent/Accredited Agencies the Brand Received Certification (This chart is used for recycling and sustainability, animal welfare, and worker welfare.)
+4	76-100%
+3	51-75%
+2	26-50%
+1	0-25%
+0	No information provided

After creating the separate scoring systems, the researcher analyzed and compared each brand's website to the scoring systems. The researcher made an Excel spreadsheet to record and aggregate the results from each scoring

system and calculated the total for each company. The higher a brand scored through the point system, the better the brand scored on overall CSR.

Survey

The researcher collected data from Generation Z for this study's survey because of their purchasing power and immense impact on the economy, especially in the apparel industry. The researcher used Microsoft Forms to construct an anonymous survey. After the survey was composed, it was distributed through multiple social media platforms and a high school in central Florida. After clicking on the survey link, respondents read participation requirements, the procedure, and anonymity aspects of the survey. Participants were made aware that by continuing they were giving consent to participating in the anonymous survey and to any responses being used in a research study. Participants were also informed that they could leave the survey at any time as the survey is voluntary. Limited information around the purpose of the study was given to avoid any bias.

CSR Scorecard

Each factor is graded on a scale from 0-4, 4 being the highest. The results are totaled at the end of the chart, the higher the total the better the brand scored.

	Sustainability Prominence on Website	Human Rights Prominence on Website	Mission Statement	Source of Manufactoring	Percentage of Line Dedicated to Recycled Product	Independent/ Accredited Agencies Involving Recycling and Sustainability	Independent/ Accredited Agencies Involving Animal Welfare	Independent/ Accredited Agencies Involving Worker Welfare	"Good On You" Rating	TOTAL:
Patagonia	4	1	3	1	3	4	2	1	3	22
Nike	2	1	4	1	1	1	0	3	2	15
Adidas	2	1	2	1	2	2	0	1	3	14
New Balance	1	1	4	0	1	2	0	1	1	11
North Face	1	1	3	2	0	1	1	0	2	11
Vans	2	0	3	2	0	2	0	0	2	11
Levi's	1	2	3	0	1	0	1	0	2	10
Under Armour	1	1	1	0	0	2	1	1	1	8
Ugg	2	1	0	0	0	1	1	0	2	7

Figure 2. Overall Scoring for each company's CSR based on tables 1-6.

Content Analysis Results

All the data elements were included in a scorecard called the CSR Scorecard to assess each company's overall commitment to CSR. Each brand in the CSR Scorecard was ranked based on the individual point systems explained in the content analysis method section. Each factor is scored on a scale of 0-4, with 4 being the highest. The higher each brand scored overall, the better their CSR rating. The researcher used each brand's website to collect data and researched through other avenues to determine the relevance of certain factors to CSR.

Survey Results

Out of 204 responses the majority (84%) were 15-18 years old. 63% of participants identified as females, 35% as male, and 2% as other. 60.3% of participants ethnicity was White and 25.5% Hispanic or Latino, while the remaining 14.2% consist of Asian, African American, and other ethnicities.

Table 7. Brand Rankings

Brand	Average Ranking of Overall Preference	% of Respondents Selecting Brand as #1	Average Score in Fashion	Average Score in Fit	Average Score in Price	Average Score in MSE
Nike	1	52.50%	4.2	4.3	2.9	2.9
Vans	2	26.50%	4.3	4	3.4	3.2
Adidas	3	9.80%	3.8	4.2	3.1	3.1
Levi's	4	3.40%	3.3	3.5	3.1	3
Under Armour	5	4.40%	3.3	3.8	3.2	3.1
North Face	6	1.00%	3.1	3.5	2.9	3.1
New Balance	7	0.50%	2.5	3.2	3.1	3
Patagonia	8	1.50%	2.5	2.9	2.8	3
Ugg	9	0.50%	2.7	2.8	2.5	2.7

Table 8. Brand Scoring Analysis

Scoring Category	Highest	Lowest	Difference
Fashion/Popularity	4.3	2.5	1.8
Fit/Functionality	4.3	2.8	1.5
Price	3.4	2.5	0.9
MSE	3.2	2.7	0.5

Survey participants were asked to rank brands based on their overall preference from 1-9, with 1 being the best brand. Nike is overwhelming the highest preferred brand where 52.5% of respondents rank Nike 1st. Vans is ranked 2nd with only 27% of respondents selecting it 1st. Participants were also asked to individually score brands on a scale of 1-5, with 5 being the highest, on fashion, fit, popularity, and MSE[3]. Although Nike has a higher overall average in preference rankings, Vans outscores Nike in 3 out of 4 of the categories. As the data confirms, consumers' brand affinity for Nike is excessively high.

Table 9. Rank Which Factors Most Influence Which Brands You Buy for Apparel

Rank	Factor	First Choice %	Last Choice %
1	Fit/Functionality	31.40%	4.40%
2	Price	33.30%	16.20%
3	Fashion/Popularity	29.90%	28.40%
4	Moral, Social, or Environmental Responsibility	5.40%	51.00%

The researcher found when analyzing brand scores that there is no major difference among MSE scoring which reflects CSR. This shows that Generation Z either does not care about CSR factors or are poorly informed about them.

The researcher found when evaluating the survey that fit, price, and popularity were all significant factors and were selected as the most influential factor by approximately 30% of the respondents. CSR factors (moral, social,

or environmental responsibility) had only 5% of respondents select it as the most influential factor. This trend remained consistent when isolating for other factors such as gender and ethnicity.

How much, on a scale of 1 to 5, does Moral, Social, and Environmental Responsibility of companies impact your buying habits?
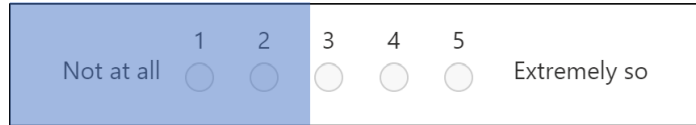
Not at all 1 2 3 4 5 Extremely so

Figure 3. Example taken from survey data regarding MSE.

The researcher found a study that concluded that 92% of Generation Z care about environmental and social issues and are even unsatisfied with where things are (Uche 22). However, in this study, 51% of survey respondents put Moral, Social, or Environmental Responsibility last when asked to rank which factors most influenced which brands they buy from for apparel (Figure 2). On a scale of 1-5 (5 being the highest), the average score was 2.76 for how much Moral, Social, and Environmental Responsibility of companies impact their buying habits; this suggests CSR components are not an important factor when making purchases in apparel for Gen Z.

Table 10. Individual CSR Factor Rankings

Rank	CSR Factor	Top Choice %	Last Choice %	Top Choice and Would Prevent Further Purchases if Performed Poorly
1	Human Rights/ Worker Welfare	37.70%	11.30 %	32.40%
2	Animal Welfare	25.50%	9.30%	18.60%
3	Environmental/ Sustainability	23.00%	10.80%	13.20%
4	Made in the U.S.A.	13.70%	68.60%	3.90%

Worker Welfare Analysis							
Low (Scored 0-1 in Data Analysis)			Medium (Scored 2-3 in Data Analysis)			High (Scored 4+ in Data Analysis)	
Brand	Brand Preference Ranking		Brand	Brand Preference Ranking		Brand	Brand Preference Ranking
Vans	2		Adidas	3		Nike	1
Ugg	9		Patagonia	8			
North Face	6		New Balance	7			
			Levis	4			
			Under Armour	5			
Average	5.67			5.40			1.00

Figure 4. The lower the rank the better the company was perceived as respondents were asked to rank companies in order (1 being the best).

As part of this study, the researcher asked respondents to rank CSR factors that mattered most to them and which CSR factors if executed poorly would prevent them from purchasing from a brand. Of the 9 factors, two of those were related to worker welfare as a part of the analysis. These two factors were aggregated to create a single worker welfare/human rights score. 32.4% of respondents said human rights/worker welfare influenced them the most out of the CSR categories when choosing a brand and that a company performing poorly in the human rights/worker welfare factor would most prevent them from choosing a brand than another CSR factor. However, when evaluating respondents' individual ranking, participants' responses proved to be inconsistent with their original dedication to worker welfare. From the data analysis, the brands were grouped into 3 groups based on how they scored on Worker Welfare (high, medium, and low). The average brand preference ranking for low scoring brands was statistically the same as medium scoring brands. If participants really cared about worker welfare, as they previously claimed, one would think there would be a bigger difference. Interestingly, the brands ranked 2nd and 3rd in overall brand preference, fell into the low and medium groups, respectively.

Although worker welfare is important and Nike scored well, they also scored well on all of the non-CSR based factors. Since we know that CSR is low in consideration for purchasing behaviors it's unlikely their performance is a function of their commitment to worker welfare.

Animal Welfare Analysis							
Low (Scored 0 in Data Analysis)			Medium (Scored 1 in Data Analysis)			High (Scored 2 in Data Analysis)	
Brand	Brand Preference Ranking		Brand	Brand Preference Ranking		Brand	Brand Preference Ranking
Nike	1		Ugg	9		Patagonia	8
Adidas	3		North Face	6			
Vans	2		Levi's	4			
New Balance	7		Under Armour	5			
Average:	3.25			6.00			8.00
Average Without Nike:	4.00			6.00			8.00

Figure 5. The lower the rank the better the company was perceived as respondents were asked to rank companies in order (1 being the best).

Similarly to worker welfare, the researcher grouped the brands into 3 groups (high, medium, and low.) Although 26% of respondents confirmed that animal welfare was their top priority out of all CSR efforts, their responses were the inverse/inverted of what should be expected. Brands in the low group ranked significantly higher than the medium group. In fact, the top 3 brands preference scoring companies are in the low group. This further shows that Generation Z apparel consumers are not committed to CSR factors as previously discussed in this study.

Environmental Analysis								
Low (Scored 0-1 in Data Analysis)			Medium (Scored 2-3 in Data Analysis)			High (Scored 4+ in Data Analysis)		
Brand	Brand Preference Ranking		Brand	Brand Preference Ranking		Brand	Brand Preference Ranking	
Ugg	9		Nike	1		Patagonia	8	
North Face	6		Adidas	3				
Levi's	4		Vans	2				
Under Armour	5		New Balance	7				
Average	6.00			3.25			8.00	

Figure 6. The lower the rank the better the company was perceived as respondents were asked to rank companies in order (1 being the best).

Brands were grouped into high, medium, and low based on their environmental scoring. What is most intriguing is that Patagonia, which is an outlier when it comes to environmental commitments, scored 2nd to last in brand preference. This suggests having a CSR factor as one of your overarching reasons does not outweigh traditional factors of fit, price, and popularity.

Only 3.9% selected U.S. manufacturing as the most influential factor and the one that could prevent them from purchasing from a brand if executed poorly. According to the survey, Generation Z does not care where apparel products are manufactured. 68.6% of respondents ranked U.S. manufactured apparel last out of which factors most influence them in choosing a brand. Although limited apparel is made in the U.S., consumers may feel as if they don't have a choice to buy U.S. manufactured apparel. On the other hand, ironically, products made in the U.S. would have the highest level of traceability for all the other factors.

64% of participants said they don't search online to understand CSR goals. Since the vast majority of respondents don't go searching for CSR, they likely do not have interest in it and are not informed.

The sports brands out of the evaluated brands consist of Nike, Adidas, New Balance, and Under Armour. Of the 52% of participants who compete in sports, 39.2% ranked the sports apparel brands 1st in their initial ranking. From the 48% of non-sports participants, 27.9% ranked sports apparel brands 1st. The researcher believes that respondents who played sports could have had a small sense of bias when ranking brands.

Despite all the effort to build webpages and content, only 18% of Generation Z evaluate brands for fashion, fit, price, and responsibility on company websites. If companies genuinely wanted to inform their consumers of CSR goals and relay company values, they need to find more platforms to do so (i.e. in some displays or advertising).

Based off this research study, Generation Z evaluates brands based on fit, popularity, and price. They are not focused on or driven by mission statements, practices, and production methods. Generation Z ranks anything revolving around CSR as last on their selection criteria and has inconsistencies when deciding what CSR factors are relevant.

Conclusion

Limitations

There are several limitations in this study that need to be considered as they can impact results. The COVID-19 pandemic hindered certain accesses and made collecting survey responses more difficult. The pandemic may have caused manufacturing and process changes for which the researcher could not incorporate into this study (i.e., companies may have changed sourcing processes due to supply chain limitations). Another limitation is the small sample size. A smaller sample size can limit the data that can be acquired and even sway data sets in some cases if sample size is not sufficient or diverse enough. Geography is another limitation. The researcher's sample size mainly reached central Florida. If the survey had a broader geographical range it could lead to a broader variety of responses. Another limitation is how and if companies disclose information. As the researcher was collecting data for the data analysis, factors had to change multiple times as companies failed to publish multiple pieces of information and show transparency on CSR factors.

Implications

It is clear from this study that Generation Z does not consider CSR a material factor when making apparel purchase decisions. While Generation Z is aware of CSR factors when choosing brands, they value fit, price, and popularity substantially more. Despite having the greatest connection to technology and information, Generation Z shows little interest in researching CSR online and are focused on the product itself. Ethical companies have the opportunity to broadly communicate their commitments beyond their websites to build awareness and drive consumer demand. If people are more educated and aware of the negative impacts of the apparel industry's production practices, there could be a shift in purchasing habits. While CSR commitments are important, these companies need to ensure they include appropriate price, popularity, and fit concepts in their strategies in order to be successful.

Future Research

Further research can be done on other generation categories to see if there is a correlation in data. If the data aligns with this study, brands can evaluate whether CSR efforts are as important of a priority for other consumers. Another avenue for research is looking at different companies or marketing techniques. A study can evaluate if different marketing techniques appeal or inform consumers more effectively or if companies are successful in communicating information. As awareness for environmental, animal welfare, worker welfare, and other production method issues grow, companies will continue to have to build strategies to mitigate potential risks. A more altruistic view is that companies will need to take a greater responsibility for CSR in order to sustain the economy, planet, and overall welfare.

Acknowledgments

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