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## ZADÁNÍ BAKALÁŘSKÉ PRÁCE

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2. Metody, které pomohou ke zjištění, zda si je britská populace vědoma neetických praktik vyskytujících se na pozadí módní výroby.
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**The awareness of UK public about issues connected with background of clothing industry.**

**Povědomí britské populace o tom, co se odehrává na pozadí oděvního průmyslu.**

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## **ABSTRACT**

This study is focused on unethical background of clothing industry and public awareness of connected issues. Research has been implemented within UK public. Particularly United Kingdom faces up nowadays the boom of fashion stores which offer extremely cheap clothes in mass volume. This study firstly explains provenance of these clothes and gives reasons for its incredibly low price. Secondly, public attitude towards this kind of goods and their awareness of organizations and acquisitions standing out against these issues has been surveyed on the basis of questionnaires.

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## TABLE OF CONTENTS

ACKNOWLEDGEMENTS .....	2
TABLE OF CONTENTS .....	3
TABLE OF FIGURES AND CHARTS .....	5
LIST OF APPENDICES .....	7
INTRODUCTION.....	8
1 LITERATURE REVIEW.....	10
1.1 Globalization .....	10
1.1.1 Introduction .....	10
1.1.2 Definition of globalization .....	10
1.1.3 The impact of globalization on cheap labor .....	11
1.2 Business Ethics.....	12
1.2.1 Definition of Business Ethics.....	12
1.2.2 Importance of Business Ethics .....	13
1.3 Social responsibility .....	14
1.3.1 Introduction .....	14
1.3.2 Social responsibility as an important companies' strategy .....	14
1.4 International standards and organizations supporting observance of workers' rights	15
1.4.1 SA 8000.....	15
1.4.2 International Labor Organization .....	16
1.4.3 World Trade Organization .....	17
1.5 Clothing industry.....	17
1.5.1 Background .....	17
1.5.2 Cheap fashion .....	18
1.5.3 Clothing industry in developing countries .....	18
1.5.4 Code of Conduct.....	19
1.5.4.1 Nike .....	19
1.5.4.2 Primark.....	20
1.5.4.3 Conclusion.....	20
1.5.5 Rule of suppliers.....	21
1.5.6 Sweatshops .....	22
1.5.6.1 Definition .....	22
1.5.6.2 Reality – critical aspects.....	22
1.5.6.3 Example - Cambodia.....	25
1.5.6.4 Conclusion.....	25
1.6 Consumer behavior .....	26
1.6.1 Fashion buyers.....	27
1.6.2 Ethical fashion.....	28
1.6.3 Labor behind Label .....	28
1.7 Summary .....	29
1.7.1 Research questions and objectives: .....	29
1.7.2 Research hypothesis .....	30
2 METHODOLOGY.....	31
2.1 Research approach.....	31
2.2 Research strategy.....	32
2.2.1 Survey.....	32



2.3	Sampling strategy .....	33
2.4	Methods of data collection .....	34
2.4.1	Observation .....	34
2.4.2	Interview.....	35
2.4.3	Questionnaire .....	35
2.4.3.1	Design of the questionnaire.....	36
2.4.3.2	Design of this research and reasoning questions.....	36
2.4.3.3	Administering the questionnaire .....	39
2.5	Validity, reliability, ethics .....	39
2.5.1	Validity.....	39
2.5.2	Reliability .....	39
2.5.3	Reliability & Validity.....	40
2.5.4	Ethics .....	40
3	RESEARCH RESULTS AND ANALYSIS .....	41
3.1	Introduction .....	41
3.2	Statistical test.....	41
3.3	Results from questionnaires .....	41
3.3.1	Demographic characteristics .....	42
3.3.2	Preferences during clothes purchase process .....	44
3.3.3	Month spending on clothes: women & men.....	46
3.3.4	Frequency of shopping in selected stores.....	46
3.3.5	Awareness of the cheap fashion buyers of acquisitions supporting unethical clothes production .....	47
3.3.6	Would consumers' decision change if they know unethical practices during production?.....	49
3.4	Summary .....	50
4	DISCUSSION AND RECOMMENDATIONS .....	51
4.1	Introduction .....	51
4.2	Discussion of findings .....	51
4.2.1	Research objective 1.....	51
4.2.2	Research objective 2.....	55
4.2.3	Research objective 3.....	57
4.2.4	Research objective 4.....	59
4.3	Conclusion.....	63
	REFERENCES.....	66
	APPENDICES.....	70

## TABLE OF FIGURES AND CHARTS

<b>Figure/Chart</b>	<b>Title</b>	<b>Page</b>
Figure 1.1	Average hourly apparel worker wages	22
Figure 1.2	Percentage of women working in Bangladeshi sweatshops	24
Chart 3.1	Age groups and gender of respondents	42
Chart 3.2	Occupation of respondents	42
Chart 3.3	Month income of respondents	43
Chart 3.4	Finished education of respondents	44
Chart 3.5	Preferences during clothes purchase decision	45
Chart 3.6	Month spending on clothes: women & men	46
Chart 3.7	Popularity of selected stores	46
Chart 3.8	Sweatshops	48
Chart 3.9	Code of Conduct	48
Chart 3.10	International Labor Organization	48
Chart 3.11	Labor behind Label	48
Chart 3.12	SA 8000	48
Chart 3.13	Would findings that clothes are produced unethically change buyers' purchase decision?	50
Chart 3.14	Women & men	50
Chart 4.1	The place where the clothes are produced	52
Chart 4.2	Whether the clothes are fairly traded	52
Chart 4.3	The place where the clothes are produced - cheap fashion buyers	53
Chart 4.4	Whether the clothes are fairly traded - cheap fashion buyers	54
Chart 4.5	Opening time of Primark	55
Chart 4.6	Quality	56
Chart 4.7	Uniqueness	57
Chart 4.8	Finished education of aware people	58

Chart 4.9	Finished education of respondents with “middle knowledge”	58
Chart 4.10	Finished education of aware and “middle aware” people	59
Chart 4.11	Gender of cheap fashion buyers	60
Chart 4.12	Age of cheap fashion buyers	60
Chart 4.13	Month income of cheap fashion buyers	61
Chart 4.14	Occupation of cheap fashion buyers	61
Chart 4.15	Finished education of cheap fashion buyers	62

## **LIST OF APPENDICES**

<b>Appendix</b>	<b>Title</b>	<b>Page</b>
Appendix 1	Questionnaire	70
Appendix 2	Chi-square good-on-fit test: Preferences during clothes purchase decision	73
Appendix 3	Chi-square good-on-fit test: Popularity of selected stores	76
Appendix 4	Chi-square good-on-fit test: The awareness of selected terms and organizations	78
Appendix 5	Rule of suppliers	80

## INTRODUCTION

Oversaturated clothing market particularly in United Kingdom, presses fashion companies to compete who offers cheaper goods and they are forced to reduce costs as low as possible. Consequently, they have discovered benefits resulting from extremely cheap labor costs in developing countries and started to establish their factories in these countries, such as Bangladesh, Cambodia, India, etc... At first sight it appears to be great opportunity for unemployed people in these countries. But on the other hand, it arouses the question of human rights and observance of fair business practices. Big corporations having their plants in developing countries are aware of their advantage (they offer job to millions of people) and they can establish entitlements and conditions which are posed to management of the factories. These conditions consist of absurdly short dead-lines, unrealizable volume, etc. Management of factories in developing countries is not advanced in such a degree to manage these responsibilities in right way and it leads to unsatisfactory treatment of workers and breaking human rights. Buying cheap clothes in huge volume proclaims unfamiliarity of public with mentioned issue and supports fashion companies to offer more goods and even cheaper.

The main purpose of this study is to find out awareness of public about background of clothing industry and issues connected. Research has been focused on UK public, because of recent boom of stores offering extremely cheap clothes.

The study has been divided into four main parts. The first part consists of theoretical base of the study. Reader is introduced to terms such as globalization, business ethics and social responsibility to understand expansion of fashion corporations' production to developing countries and advantages and disadvantages resulting and some of the standards and organizations standing out against unethical business behavior are introduced. Theoretical part includes short background of the clothing industry and questionable issues connected, such as sweatshops and Code of Conduct. Because the issue is mostly matter of consumers (even if indirectly), consumers' behavior is included and more detailed characteristics are focused on fashion buyers. At the end of the first part, research question, research objectives and research hypothesis are introduced.

Second part of the study is focused on research procedure and describes individual steps in research process. This process consists namely of: research approach, research strategy, sampling and methods of data collecting. It is explained why a form of questionnaire has been considered as the best method for data collecting and reason for each question is set out. Obtained data are evaluated in part three. Each question from questionnaire is analyzed and results are supported by charts and tables.

In the last chapter of this study, research objectives are discussed on the basis of obtained data. The final conclusion of the study includes evaluation of research hypothesis and finally, research questions are answered in conclusion as well.

## **1 LITERATURE REVIEW**

Literature review is a theoretical part of the study and is very important as a base for further research. The main purpose of this chapter is to introduce background of the surveyed issue. Chapters are ranked from the broadest perspective to the most concrete view to provide the opportunity to fully understand the surveyed broad issue.

### **1.1 Globalization**

#### **1.1.1 Introduction**

Questions about globalization are very popular and “hot” topic in recent world. Crane and Matten (2007) have entitled recent world by the term “G-world” and they declare that:

*“G-world is frequently identified as one of the most important issues in contemporary society. “*

William Parrett, the Chief Executive Officer at Deloitte Touche Tohmatsu, commended at the 2006 World Economic Forum in Davos:

*„ One effect of globalization has been that risk of all kinds – not just fiscal, but also physical – have increased for businesses, no matter where they operate. Information travels far and fast, confidentiality is difficult to maintain, markets are interdependent and events in far-flung places can have immense impact virtually anywhere in the world. „*

#### **1.1.2 Definition of globalization**

There are many ways how to describe the term „globalization“. But the appositest ist this one:

*„ the greater movement of people, goods, capital and ideas due to increased economic integration which in turn is propelled by increased trade and investment“*  
(The World Bank, 2004)

Movement of people, goods, capital or ideas has always exist, but recent movement is much more faster and people have to be prepared and be flexible for this changes. Globalization brings opportunities but also threats, it has advantages but also disadvantages.

Advantages:

- countries with stable economy can easier balance higher living standards of their inhabitants and adapt faster rate of market growth
- elimination of trade barriers provides more investments abroad – domestic economy is empowered
- technological development provides using machinery more regardful of ecological environment
- job opportunity for people in developing countries
- possibility of free movement of people causes elimination of cultural differences

(Advantages and Disadvantages – The World Bank, 2004)

Disadvantages:

- countries with worse economic situation are not able to catch speed of globalization and it leads to immesuarable differences between rich and poor communities
- opportunity of free movement of people or animals causes spread of diseases such as SARS, HIV/AIDS, bird flu, etc.
- ecological problems caused by using heavy machinery (mining, cuting down trees...)
- disappearance of traditional languages or customs
- migrations into the countries with higher level of work opportunities and wages

(Advantages and Disadvantages – The World Bank, 2004)

### ***1.1.3 The impact of globalization on cheap labor***

In connection with globalization, large and mostly multinational companies are discussed. They have begun to expand to developing countries because of cheap labor costs. Somebody could object, that this act is praiseful – to be sure, they offer job opportunities in countries with high unemployment and low standard of living. This could be really praiseful, if it will



be like this. But it is not and companies offering job opportunities for people in developing countries are often in violation of business ethics or human rights. Conditions of workers are scant from health and safety to wages or work hours.

Globalization causes new, before unknown questions coherent with labour law. According to Crane and Matten (2007), these questions may include confrontation of European companies, who exploit to developing countries for establishing new huge factories with using low labor costs. People from Eastern Europe, South East Asia, Africa, of South America are able to work in miserable conditions and for low inadequate wage. Mostly because of not very high education they have no idea they should defend against unlawful conduct and they suffer these inhuman conditions. In the view of Hill (2001), in developing countries is a majority of unskilled people and it leads again to mentioned situation. Companies are confronted with issues of protecting human rights of workers. This statemet confirms Hill (2001), who explains that elimination of trade barriers makes possible to remove manufacturing activities into countries with lower labour costs. Other examples could be using new technologies such as internet or working environments such as call centres. Hill (2001) includes in his writing suprising opinion of supporters of globalization. They go so far as to suggest that using labour force from developing countries is very good economic fact. It offers jobs for many unemployment people and strenghtens economic of concrete country. This is doubtless true, but on the other hand it is still primarily the most important to solve observing human rights than to solve economic growth of particular countries.

## **1.2 Business Ethics**

### ***1.2.1 Definition of Business Ethics***

Fact, that people used something like business ethics many years ago prove records from medieval period. People of that time had their own rules in business. The Roman Catholic Church defined very strict law how to trade (Chryssides & Kaler 1996).

Chryssides and Kaler (1996) describe business ethics with very simple definition:

*“ moral rights and wrongs in business ”*

Obviously, it is not sufficient, so they extend their understanding of business ethics. They divide the term into two words – business and ethics. According to Chryssides and Kaler (1996), ethics are commonly defined as:

*‘set of principles prescribing a behavior code that explains what is good and right or bad and wrong; it may even outline moral duty and obligations generally’*

They object that this fact is static and can not be used in connection in today business environment. As a more accurate and maybe more useful definition of business ethic definition formulated by Harvey (1994) can be used:

*„Ethics: As a practice can be described as the conscious appeal to norms and values to which, on reasonable grounds, we hold ourselves obliged, as, reciprocally, we hold others obliged to the same norms and values. As a reflection = methodical and systematic elaboration of the norms and values we appeal to in our daily activities. Where these activities are organized around business issues, we face ethics in the practical and reflective variety of business ethics.“*

Crane and Matten (2007) tend to the opinion that business ethics can be apprehended as a scholarship:

*„Business ethics is the study of business situations, activities, and decisions where issues of right and wrong are addressed.“*

### **1.2.2 Importance of Business Ethics**

Business ethics have never been more important than nowadays. It is caused by huge growth of international business and economic growth in general. It is necessary to have some rules which each side of the trade, each country will respect and accept. Cultural customs are different and sometimes it is difficult to find middle path. According to Sorell and Hendry (1994), the most questionable discussions are about employment practices. It is known that conditions for employees are worse in developing countries, everything connected with clean and safety working environment can be viewed in Europe differently. International businesses have to decide which customs and rules are good to accept and which are in bound to human rights (Sorell & Hendry 1994). In general, this is not only matter for businesses but also for

consumers. Their requirements are more exacting, they do not only look on product or service as such, they also look for an ethical and ecological side of matter (Crane &Matten 2007). With this statement agrees Hirschland (2006) who explains that consumers are not only focused on product's design, label or packaging, one of the most important component is also background of the product, where it was produced, what conditions were connected with it. Interest in these matters is caused because of globalization and consequences resulting.

### **1.3 Social responsibility**

#### **1.3.1 Introduction**

*„In such an economy, there is one and only one social responsibility of business – to use its source and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud.“* (Hoffman & Frederick, 1995)

As it has been mentioned in chapter about Business Ethics, recent world globalization presses companies to practice honestly because they are monitored by the general public. They have to accept human rights, business ethics and have a social responsibility in face of society. Many huge corporations are nowadays blamed because of poor working conditions and uncertain ways of production (Reeve & Steinhausen 2007). Doing business is not only making profit in recent time. According to Reeve and Steinhausen (2007), in case of business is important this triple bottom line:

*“social benefits and human rights, environmental benefits, financial prosperity”.*

Because of increasing public interest in case of production of multinational corporations, these corporations are forced to show how are their goods produced and how responsible they are in this case. It is necessary to include social responsibility into their business objectives (Shaw et al. 2006).

#### **1.3.2 Social responsibility as an important companies' strategy**

Business is major part of present society, it is its intergral part in matters of employment, buying and selling products and services, paying taxes, et cetera. This is why should businesses became model of nowadays society. They should illustrate correctitude,

fundamentals of rights and wrongs in matters of ethics (Crane & Matten 2007). Crane and Matten state other reason, why is social responsibility important for business:

*„Corporations cause social problems (such as pollution) and hence have a responsibility to solve those they have caused and to prevent further social problems arising.“*

Social responsibility includes treating employees, protecting environment for future generations, observing basic human rights, et cetera. It is in general one of the strategies of corporations. It is up to them how do they work on their popularity in society but it is obvious that their reputation is with social responsibility connected (Crane & Matten, 2007).

Reeve and Steinhausen (2007) mention case of IKEA, this company was denounced because of using chemicals like PVC and formaldehyde in their products. IKEA have reacted on this situation by understanding that ethical behavior has to be part of a business strategy. In this case, ethical behavior has become *“the central role in their overall business strategy”*.

Incrimination of recent corporations is a main point of the day, but as Hoffman and Frederick (1995) state it is not company who has responsibility: *“Only people can have responsibilities.”*

#### **1.4 International standards and organizations supporting observance of workers' rights**

##### **1.4.1 SA 8000**

Norm SA 8000 is an international standard which regulates and monitors first of all working conditions of workers. It was published by Social Accountability International (SAI) in 1997. SAI is organization which controls observation of social responsibility in all types of organizations. In the view of Mitchel (2003):

*“ SA 8000 provides what other global initiatives and ethics codes have lacked: a common framework for ethical sourcing for companies of any size, type and anywhere in the world.“*

Inspection is practiced twice a year by third party as a part of audit process in a company (Vogel, 2006).

Basic aim of SA 8000 is to strengthen relationship between employers and employees. It solves broad issue of child labor, forced labor, health and safety in work, discrimination, freedom of association and right to collective bargaining, working hours, discipline, compensation and management system.

Hirschland (2006) concurs that SA 8000 is considered as the most respected standard in matter of social responsibility and coherent issues. On the other hand Moran (2002) speculates about perfection of the system. He prefaces that workers who are interviewed are often manipulate by their managers to lie about working conditions or hours. Similarly, Hopkins (2003) maintains imperfections of SA 8000 with statement that responsibility is transferred from multinational corporations to their suppliers with purpose not to affect good reputation of company.

#### ***1.4.2 International Labor Organization***

International Labor Organization (ILO) was established in 1919 and is settled in Geneva (International Labor Organization, 2008). ILO is one of the most important organizations necessary for operation labor in recent world. Basic aims of ILO are improving living and working conditions, determining of minimum standards of wage, working hours or ensure social protection. According to Universal Declaration of Human Rights, ILO's target is in general to sustain human rights as freedom, equity and dignity (International Labor Organization, 2008).

*“The ILO is the global body responsible for drawing up and overseeing international labour standards. “* (International Labour Organisation, 2008)

ILO is tripartite organisation with essential issues - bringing together employers, labor unions, and governments. Important task, ILO is dealing with, is also question of working conditions, helping with technical cooperation in developing countries and in recent time ILO is also active in education. Its activities are based on publishing documents about labour and social matters or training managers to be informed about labor law (Haberman, 1972)

Although ILO has existed since 1919 its importance takes effect especially in recent time of globalization (Khorus, 1999). In his writing, Jenkins (2002) agrees that ILO is inseparable part of globalization.

### **1.4.3 World Trade Organization**

*“World Trade Organization (WTO) deals with the rules of trade between nations at a global or near-global level.”* (World Trade Organization, 2008)

WTO was established in 1995 to operate world trading system founded by GATT = General Agreement on Tariffs and Trades (Hill, 2001). It was created in 1947 as a multilateral international organization supporting trade between different nations. GATT was in January 1995 retrieved by WTO, which was considered as a stronger organization (Anderson & Cavanagh, 1994).

WTO is described *“as a system of rules dedicated to open, fair and undistorted competition.”* (Rao, 2000) Importance of WTO demonstrates Khorus (1999):

*“International trade regulation must address not only such fields as investment, competition policy, services and intellectual property. Increasingly, trade issues are harmonizing with environmental and labour issues and trade regulation must address this fact.”*

Hill (2001) states that question of labour issues is today key mission of WTO. It is focused on child labor, eliminating forced labor, discrimination on workplace, permitting workers to bargain collectively and allowing free associations of workers. Attention is also focused on countries with low labour costs and observing human rights in these countries (Hill, 2001).

## **1.5 Clothing industry**

### **1.5.1 Background**

Clothing industry is described by World Trade Organization as *“a labor-intensive, low wage industry and a dynamic, innovative sector, depending on which market segments one focuses upon”*. (World Trade Organization, 2008) Clothing and textile sector is considered as a huge

part of world economy (An Ethical Industry, 2008). As a result, clothing industry with its large size became a sector which is necessary to monitor (An Ethical Industry, 2008).

Clothing industry could be present as a high quality fashion market full of creativity, design, the best marketing strategies, etc. On the other hand, clothing industry is also low quality market offering cheap fashion produced in developing countries in poor conditions and mass production without uniqueness (World Trade Organization, 2008).

### ***1.5.2 Cheap fashion***

The term “cheap fashion” does not only mean low price of the goods, but it also signifies already mentioned cheap labor costs. Because of its low price, nowadays trend in buying clothes is to buy more frequently and more items. Stores used to change the goods according to seasons – spring, summer, autumn and winter collection, but today trend is to offer different goods each month (Anon, 2008)

In report Labor behind the label (2007) is exactly explain term “cheap fashion”: “mass produced, hassle-free, popular, and reliant on exploitation down the supply chain to keep things that way.”

### ***1.5.3 Clothing industry in developing countries***

Huge companies such as Nike, Primark, Tesco, Asda, etc. want to entice customers' interest through low price of product. Prices of clothes in case of mentioned brands are really low. Consumers can buy one top for a night and replace it. This is a reason why recent fashion is called “fast fashion” (Labor behind the label, 2007). The efforts to increase profits at the expenses of costs of production and to keep competitive strength in oversaturated clothing industry tend companies to establish their factories in countries which are known by its extremely low labor costs and inadequate environmental standards (Spackova, 2008).

Clothing corporations prefer to control only the most profitable part of production and trade chain – design and marketing. The rest is up to mentioned countries. No doubt that clothing and textile industry mean huge opportunity for developing countries. But it is important for them to understand the process of production and management. If not, they cannot make the benefits from this challenge and it would be worse because textile and clothing industry is the best and maybe only way how to strengthen their economy and light up in the world market (Anon, 2005).

#### **1.5.4 Code of Conduct**

*“The codes require monitoring of such conditions as freedom of association, child labor, discrimination, harassment, wages, working hours, and health and safety, all under the rubric of corporate social responsibility.” (Marhugh, 2006)*

To publish company's Code of Conduct is nowadays one of the company's responsibility. Moreover in today's electronic world, to publish this information on company's websites is very easy.

Ethics codes should establish relationship between company and suppliers. These codes are introduced but Spackova (2008) thinks that this could work if the methods of working and production were controlled and were more concrete. It is sad that more often are ethics codes used for marketing purpose.

Brown (2006) confirms Spackova's (2008) idea. He instantiates his statement with „story“ of popular company – **Nike**:

##### **1.5.4.1 Nike**

Nike is connected with sweatshops frequently. Ten years ago it was possible to say that Nike = Sweatshop (Brown, 2006). Before this statement, Nike had no idea, that they could be accused in case of their factories in Asia, Africa or America. A pressure of public became more intensive and Nike was forced to do some changes in their strategy (Brown, 2006):

- *systematically applied its “Code of Conduct” to supplier factories*
- *expanded its “Corporate Responsibility” department to approximately 100 staff members*
- *conducted two levels of annual monitoring of the active subcontractor factories producing Nike products*
- *undertaken numerous initiatives with non-governmental organizations around the world*
- *issued two “Corporate Responsibility” reports with frank descriptions of conditions in its supply chain*

(Brown, 2006)

Brown (2006) states sad results of these acquisitions resulting from Nike Corporate Responsibility report in April 2005: “ 50-100 percent of supplier factories exceed the hours



*of work limits in the Nike Code of Conduct, with 25-50 percent of factories exceeding the legal limit in their country; 25-50 percent of factories pay wages below the legal minimum; 25-50 percent of factories experience incidents of physical and sexual abuse and harassment..”*

#### 1.5.4.2 Primark

Similarly, example of observing Codes of Conduct in case of **Primark** follows:

Primark underlines on their websites that value and quality of their product cannot be achieved at the expense of workers in their supplier's factories. They require observing basic rights defined in their Code of Conduct. On the other hand, Primark admits that conditions are often contravened because of time scale and requirements resulting. The main target of Company is to improve these imperfections till 2010. (Primark, 2005)

Passage from Primark's Code of Conduct:

*„Workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.“*

According to Anon (2006) was proved that maximum hours are far exceed and daily minimum was found 10 hours each day, 6 days per week. Organization Labour behind Label (2007) points out that it is warning that wages of workers have decreased whereas volume of sold goods has increased.

#### 1.5.4.3 Conclusion

Not only Primark and Nike are examples of „cheap“ fashion companies, whose goods are produced unethically. Also Tesco or Asda might be mentioned. It is warning that these corporations are members of Ethical Trading Initiative, which is

*„a collaboration between companies, non-governmental organisations and trade unions set up in 1998“ (Goworek, 2007).*

Goworek (2007) cites its aims:

*„to promote and improve the implementation of corporate codes of practice which cover supply chain working conditions. Our ultimate goal is to ensure that the working conditions of workers producing for the UK market meet or exceed international labour standards“.*

This statement proves sense resulting from Codes of Conduct and proves how „strong“ is endeavour of mentioned companies to improve conditions of workers in plants of their main suppliers. Ellis and Higgins (2006) describe in their writing what is happening: “idealism of ethics meets the reality of business”.

### **1.5.5 Rule of suppliers**

Low-cost retailers such as Primark or Tesco require speed in production. It causes that their suppliers are under pressure. They have to full fill the contract cheapest and fastest. They have to push workers into overtimes during weekends or nights, of it is necessary they hire temporary workers who are not certainty for factory and good will of factory could be jeopardized. Management of plants in developing countries is not able to lead this effectively. It is a question why are suppliers in developing countries interested though these conditions. For example Primark uses hundreds of suppliers, they preserve suppliers’ interest by making competition and high requests (Labor behind Label, 2007). Rule of suppliers is not easy (see Appendix 5). They have to satisfy workers but also low-cost retailers, because they are their future:

Retailer’s purchasing practices push working conditions down



**SUPPLIER**



Compliance system demands better working conditions

(Labor behind Label, 2007)

Problems in case of sweatshops describe Brown (2006) in the view of “*factory level*” and “*big picture level*”. He agrees with Spackova (2008), he states that oversaturated clothing industry press on corporations to produce with the lowest costs. They trade on cheap labor, they can dictate conditions of the contract. If the other side does not agree, they do not care, they know, they will find “partner” who will follow their requirements including low wages, inadequate health and safety conditions, etc. Suppliers in developing countries are terrified that they

might lose their order or whole business from one company if they would not meet deadlines or budget limits. Work-hunger in these countries is high and factories cannot venture at possible losses. The second view on “big picture level” is connected with government disregard. Developing countries are dependent on foreign investors, economy is weak and government press for better situation.

### ***1.5.6 Sweatshops***

#### ***1.5.6.1 Definition***

Brown (2006) describes sweatshops using U.S. Labor Department and International Labor Organization definitions:

- *“workplaces involving multiple violations of labor, occupational health and safety, and environments regulations”*
- *“enterprises which do not comply with fiscal and legal obligations, and which exploit workers and disrupt markets”*

Powell and Skarbek (2006) introduce sweatshops very similar: *“Sweatshops are places of employment with low pay, poor working conditions, and long hours.”*

#### ***1.5.6.2 Reality – critical aspects***

Hewitson (2007) makes clear what does sweatshop mean in today fashion world. She mentions young girls having issues with their bodies because of present trend of skinny models, their problems with diets, etc. These girls and women are generally considered as a fashion victims. Hewitson (2007) strongly disagree, she is convinced that present fashion victims are just sweatshop workers.

**Figure 1.1 – Average Hourly Apparel Worker Wages**

Country	Hourly wage in U.S. \$
Bangladeshi	0,13
China	0,44
Costa Rica	2,38
Dominican Republic	1,62
El Salvador	1,38
Haiti	0,49
Honduras	1,31
Indonesia	0,34
Nicaragua	0,76
Vietnam	0,26

(Powel & Skarbek – Mandle, 2003)

Sweatshop workers are paid only few pence for an hour (see Figure 1.1), it is not surprising that breaks between work shifts are inadequate, breaks are not allowed at all sometimes. Work time is 6 days a week in better case, holidays are not suspected. Excessive punishments are usual, for example because of talking with colleague worker can be let out (Moran, 2002). Concrete situation is for example from factory in Bangladesh. Women are forced to work from 8am to 10pm. One woman has to sew on the pocket in 36 seconds. It means 1150 pockets during one shift. It is not exception that before completion of order, workers have to sleep on the floor between sewing machines and to be ready to work early at the morning. Women are able to go to the toilet twice a day (Spackova, 2008). Another inhumanity describes Miller (2006) in his writing he notes that women are coerced into pregnancy tests and even abortions. Moran (2002) states that workers are forced to work in noisy plants, machines produce hot fumes and ventilation is provide by small window. Workers are not trained in basic health and safety precautions. This proves record from Thailand “*the disaster at the Kader toy factory, in Thailand, in which 188 workers died and 496 were injured, and the more recent fire at the Chowdhury Knitwear subcontractor, in Bangladesh, in which fifty-two workers were trampled in a single stairway exit.*” (Moran, 2002).

Reason why workers are able to work in horrible conditions for ridiculous wages is also low knowing. They work in an area, where is only one huge plant located. Because of impossibility to work in another place, they are dependent on offers resulting from this plant. They are informed about conditions in this plant but do not have the opportunity to compare

(Moran, 2002). Moran (2002) mentions, that this “*monopolistic*” admission is very often applied and obligation of particular governments is to make inhabitants of specific country acquainted with basic rules of law. He adds that workers who are discriminated often do not know that it is punishable or do not know where to go or who to inform about discrimination or other problems.

Sex discrimination is normal. Woman are paid less than men, managers of sweatshops declare that it is easy because woman are often lower-skilled and they are more „obedient“ (Moran, 2002). Moran (2002) also adds that majority of woman are widowed or divorced so they are dependent on income and they do not want to loose the job. According to Moran (2002), woman wage is sufficient if they can make safe run of household. Spackova (2008) confirms majority of women in sweatshops - 90% of women in Bangladesh work in clothing industry. This proves Figure 1.2, which shows percentage of women working in Bangladeshi sweatshops.

**Figure 1.2 – Percentage of women working in Bangladeshi sweatshops**

<b>Factory</b>	<b>Number of workers</b>	<b>% female</b>	<b>UK brands it supplies</b>
<b>A</b>	500	70	Asda, Tesco, Primark
<b>B</b>	1100	73	Asda
<b>C</b>	1200	75	Asda, Primark
<b>D</b>	500	?	Asda, Tesco, Primark
<b>E</b>	1200	69	Asda, Tesco
<b>F</b>	575	61	Asda, Tesco

(Anon, 2006)

Spackova (2008) comments that horrifying conditions in clothing industry are not only case of developing countries but also countries in Eastern Europe and suprisingly also in countries with highly developed economy. Spackova (2008) mantains example from Czech Republic. In 2006 was found secret group of Korean sewers who were forced to sew clothes in shocking conditions without right to pay.

Though enormity and inhumanity resulting from sweatshop production, Zwolinski (2007) tends in his writing to the opinion that choice of working in sweatshop is voluntary. He declares that people intend to work in sweatshops do not think about high wages, they do not wish to earn money for luxurious goods, they only want to support their family, ensure basic needs for life. However, research in Bangladeshi plant producing for Asda, Primark and

Tesco has unfortunately shown, that average wage in sweatshop is highly below life standard (Anon, 2006). Zwolinski (2007) goes so far as to suggest, that if worker is abused or limited in other way, it is result of his or her choice and he or she has to face the consequences.

#### 1.5.6.3 Example - Cambodia

Garment industry plays main role in Cambodia's economy. It makes nearly 70 % of Cambodia's export. It is not surprising that working in garment industry is almost the only possibility where to work. Plants are located in huge cities, far from countryside and workers are far from their homes and visit their families twice for a year. They only send them money for living. Majority of workers are women and because of huge number of young people in country, also young people. Women are discriminated in case of wages. They are under pressure and verbal abuse, their supervisors shout on them that they are slow and lazy all the time. They are also easy victims of sexual harassment not only within factory. They are forced to work to late hours, when they are on the way from work, they are often attacked by street gangs.

Average wage is \$50 per month however minimum living standard is \$80. Workers would like to work overtime to earn more money, but they have to work from 7am till 8pm and they do not have enough energy to work longer.

Workers are allowed to bargain and be members of unions but when leader of the union comes with questions or suggestions to the management, they pay him to be quiet or he is attacked.

Sweatshops workers work in noisy and hot plants but when they are ill, they are not allowed to stay at home. If they want to, they lose their job.

Though working conditions, wages or behavior of management is terrible, working in garment industry is still the only possibility how to earn some "good" money in Cambodia.

According to Coyle (2007)

#### 1.5.6.4 Conclusion

Stronger actions in case of sweatshops are needful, but on the other hand, Miller (2006) assumes that moves in this question have to be very careful because companies could let thousands of workers go and it would not solve this situation. Supporter of sweatshops, Zwolinski (2007), agrees with Miller (2006), he states that corrective measures within

sweatshops may cause dissolving and cancellation of sweatshops. Thousands of people may lose their job anyhow it is. He tends to the opinion that changes should be done more carefully and he concurs with example of companies' behaviour which points out Moran (2002). He introduces efforts of some factories of "smart strategy" implementation. It consists in forming small teams. These teams are trained to make whole product, it should prevent boring and stereotype work and at least minimally improve the atmosphere in a factory.

According to Moran (2002), developing countries can profit from factories which are established by multinational corporations. It is the opportunity for unemployed people and chance to make the economic situation better. But they also should focus on minimizing "dangerous and difficulties". He demonstrates his opinion:

*„The challenge for developing countries is to design policies that simultaneously capture the benefits of foreign direct investment in low wage sectors and protect workers from mistreatment or abuse.“ (Moran, 2002)*

More concrete points states Brown (2006):

*„Transparency – to name suppliers, worker empowerment and addressing „the big picture“.“*

## **1.6 Consumer behavior**

Consumer behavior is a relatively new field. Term "consumer behavior" has been used since 1960 and as a first knowledge were used experiences and evidence from different fields such as psychology, sociology or anthropology (Schiffman & Kanuk 2000).

Solomon (2004) defines consumer behavior as:

*“the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires”.*

Other definition offer Schiffman and Kanuk (2000):

*“The study of consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items.”*

Consumer of 21<sup>st</sup> century requires speed first of all (Solomon et al. 1999).

Solomon et al. (1999) underline that because of globalization, markets and economies of different countries are melted together, that means broader offer of products and it lead to higher requirements of consumers. They buy products made in many countries. Solomon et al. (1999) divide consumers into two groups. Consumers in one group believe that goods imported from other country are higher quality, whereas consumers in second group are not persuaded of quality. Solomon et al. (1999) mention case of clothes first of all. They underlines that clothes which is imported from Korea or Taiwan is by consumers considered as low cost but also low quality.

### ***1.6.1 Fashion buyers***

Recent fashion buyers are different than previous generations. They spend less part of their income buying clothes but they buy more items. This demonstrates how easy and cheap is to buy clothes nowadays (World Trade Organization, 2008). According to report Labor behind the label (2007), 40% of clothes we buy are “cheap fashion” and we spend 17% of our budget on clothes. Attwood (2007) points out that especially in UK, falling of clothes prices is incredible and people have never been able to buy such a huge volume of clothes for low price like this. She proves her statement by number of items of clothing – in 1997 bought average women 19 items of clothing a year, nowadays it is 34 items.

Bosshart (2006) explains: “*Most popular and prominent thing in a mature, fully developed market economy is price.*” Today consumers expect that they can have everything immediately, everything is possible to buy and because there are too many things which are needful in recent time, it is logical that consumers look for cheaper possibilities. Bosshart (2006) points out that this is natural reaction on fast development of the market. On the other hand, Attwood (2007) explains that it is impossible to continue with further reducing of clothes prices. In this rate, clothes would cost nothing in few years. It is possible to expect that prices will stay low, but customers will realize its true value and they will look for anything else (Attwood, 2007). Other prediction offers Holt (2007), who thinks that consumers are starting to be bored with cheap clothes and they are looking for something more unique and are also prepared to pay little bit more for this uniqueness.



### **1.6.2 Ethical fashion**

Consumers' awareness have changed, issues about social, environmental or ethical behavior have become more discussed within media and we can also say that "to be ethical" is fashionable (Shaw et al. 2006).

*"Fair trade is concerned with ensuring a fair price and fair working conditions for producers and suppliers, promoting equitable trading agreements. Consumer concern surrounding sweatshop clothing production has resulted in a demand for fairer practices in the clothing sector."* (Shaw et al. 2006).

But according to Shaw and Duff (2002), fair trade products are very often out of fashion or more expensive than other goods with unknown origin. Especially in case of clothes, style and fashion is changing every day and fashionableness is one of the most important aspect customer considers.

Shaw et al. (2006) state that fair trade is nowadays popular in case of food. Consumers recognize brands which are members of fair trade. In clothing industry is this still pending and consumer can only find out where the T-shirt was made. They also mention in their report, that choice of clothes is not very often influenced by its origin. In spite of the fact, that fair trade textile products are available mostly only on the internet and are often criticized because of missing advertisements. Involuntary ignorance of customers' behavior demonstrates Shaw et al. (2006), who have made a research, they have deduced that consumers are willing to buy "ethical" clothes, but the main question is: "How can we find out which one is ethical and which one is not? We do not have a choice."

### **1.6.3 Labor behind Label**

Labor behind Label is the most recognizable organization conversant with issues connected with sweatshop workers. Its mission is to familiarize governments, companies and consumers of cheap fashion background and questions resulting, such as working conditions, wages or health and safety issues (Labor behind the Label, 2007).

Labor behind Label (2007) tries to achieve at least adequate minimum wages for workers, wage which is sufficient to cover basic living costs such as food, living, education, health and

safety and other spending enabling to live with human dignity. It is also important to achieve this target with adequate working hours, holidays and paid out overtimes.

## 1.7 Summary

Theoretic part of this research has been set up with using available secondary data. On the basis of these findings, hypothesis for this research have been set down and will be evaluated with using primary data in connection with stated research questions and objectives in further investigation of this study.

### 1.7.1 Research questions and objectives:

<i>Research question</i>	<i>Research objective</i>
1. Does public know provenance and ethical issues connected with the production of the cheap clothes?	1. To determine how important are issues connected with provenance of the goods and unethical practices during production for customers' clothes purchase decision.
2. How popular is buying cheap clothes in "unethical" stores?	2. To find out whether Primark, Asda and Tesco ranks among the most frequent visited stores (as the most questionable stores connected with surveyed issue).
3. How aware is public in case of acquisitions supporting ethical production of cheap fashion?	3. To identify knowledge and public awareness of terms and organizations connected with surveyed issue: sweatshop, Code of Conduct, International Labor Organization, Labor behind Label, SA 8000.
4. Who are the most frequent buyers and visitors of cheap fashion stores?	4. To identify distinctive characteristics of cheap fashion buyers.

### ***1.7.2 Research hypothesis***

#### ***Hypothesis 1:***

H0: Provenance of the goods is not important factor in clothes purchase decision.

H1: Provenance of the goods is important factor in clothes purchase decision.

#### ***Hypothesis 2:***

H0: In spite of unethically-produced goods, Primark, Asda and Tesco are the most popular stores in case of cheap fashion.

H1: Primark, Asda and Tesco are not the most popular stores in case of cheap fashion.

#### ***Hypothesis 3:***

H0: Finding that clothes they buy are produced unethically would change buyers' purchase decision.

H1: Findings that clothes they buy are produced unethically would not change buyers' purchase decision.

#### ***Hypothesis 4:***

H0: The majority of cheap fashion buyers are women younger than 35 years.

H1: The majority of cheap fashion buyers are not women younger than 35 years.

#### ***Hypothesis 5:***

H0: Majority of cheap fashion buyers are people with lower income, such as students and people with lower level of education.

H1: Majority of cheap fashion buyers are not people with lower income, such as students and people with lower level of education.

## **2 METHODOLOGY**

This chapter is focused on primary research of this study. Firstly, it will be explained what research approach, research strategy and method of data collecting has been used and secondly, questionnaire will be introduced and reason for each question will be demonstrated.

### **2.1 Research approach**

According to Trochim (2006), approach of research can be defined in two ways – deductive and inductive approach.

#### *Deductive approach*

When analysis and conclusions result from theory which is written, we speak about deductive approach (Saunders et al. 2003). Trochim (2006) mentions in his writing, that deductive approach is sometimes called „top-down“ approach. He remarks on that deductive approach progresses from the broadest corner to more concrete.

#### *Inductive approach*

Inductive approach has obviously contradictory process than deductive approach. Theory is written on the basis of findings from analysis (Saunders et al. 2003) and research is developed from concrete question to general theory (Trochim, 2006).

Trochim (2006) points out that very often are used both approaches. This statement confirms also Saunders et al. (2003), who consider using combination of deductive and inductive approach as very useful and advantageous.

Secondly, research approach is often classified into qualitative and quantitative approach.

#### *Qualitative approach*

According to Weinreich (1995), qualitative approach is focused more on subjectivity than objectivity. He goes so far as to suggest, that in case of qualitative approach the process of research is more important than its results. Research based on qualitative approach uses in-

depth interviews or small focused groups, which can caused strongly subjective results (Weinreich, 1995).

#### *Quantitative approach*

Weinreich (1995) describes quantitative approach as a research assuring „*objectivity, generalizability and reliability*“. Usage of statistical methods and clearly qualified questionnaires provides to get general information and researcher is not limited by emotions or subjectivity (Weinreich, 1995).

Similarly, combination of qualitative and quantitative approach might benefit the research (Weinreich, 1995).

In this research, deductive and quantitative approach has been used. Hypothesis, research objectives and research questions has been deduced from theoretical part of the study and as a research method questionnaire has been used, which corresponds with quantitative approach of research.

## **2.2 Research strategy**

Research strategy contains general plan of research including research questions and ways how are these research questions answered. In this part, it is necessary to explain, why does reasercher use concrete research strategy, how are data for research collected, who is focused group and all decisions made in research must have valid reasons (Saunders et al. 2003).

As the most common strategies are considered experiment, survey and case study. Because of deductive and quantitative approach applied in this research, as a research strategy survey has been used.

### **2.2.1 Survey**

Survey is considered as the most popular research strategy. Saunders et al. (2003) explain:

*„Surveys allow the collection of a large amount of data from a sizeable population in a highly economical way. Often obtained by using a questionnaire, these data are standardised, allowing easy comparison.“*

Firstly, questionnaire is used very often for survey strategy. Saunders et al. (2003) also see an advantage resulting from questionnaires, they point out that well structured questionnaire is easily understood and it guarantees high percentage of answered questions.

However, not only questionnaire is included in survey strategy, but also structured observations and structured interviews are used (Saunders et al. 2003).

According to purpose of this study, questionnaire has been chosen as a most suitable survey method for this research.

### **2.3 Sampling strategy**

To provide research within all population is impossible. Even if the main purpose of the research is behaviour of employees in the factory which employs 1000 employees, it is not very probable to get the information from all of them.

According to Kumar (1999), sampling is define as:

*„process of selecting a few (a sample) from a bigger group (the sampling population) to become the basis for estimating or predicting a fact, situation or outcome regarding the bigger group“*

Kumar (1999) underlines possible advantages and disadvantages of sampling. He mentions saving time, financial and human resources as advantages, on the other hand, research which is provided on the basis of sampling cannot provide facts about population, but only assumptions and predictions (Kumar, 1999).

Two types of sampling methods are defined – nonprobability sampling and probability sampling (Jankowicz, 2000). Kumar (1999) mentions also the third type, which is called mixed sampling and is a combination of nonprobability and probability sampling.

As a suitable sampling method for this research, probability sampling has been used. According to Saunders et al. (2003), this type of sampling is the most appropriate for survey research strategy which has been chosen for this research as well. The main purpose of this research has been to find out how is the awareness of people in case of provenance of the cheap clothes and why is the price of these clothes incredibly low. Research has been focused on entire population without any differences in age, sex, occupation, etc. As a sample of the population have been chosen 100 respondents which recommend Saunders et al. (2003) as an adequate quantity to make a good research with adequate information for possible assumptions and predictions.

## **2.4 Methods of data collection**

The first point to note is that select method depends on the purpose of the study, financial and time feasibility (Kumar, 1999). Kumar (1999) states three types of collecting primary data – observation, interview and questionnaire.

### **2.4.1 Observation**

Kumar (1999) maintains, that observation method is the most useful when the purpose of the research is to investigate behavior, than perceptions of individuals. Two types of observations are explained – participant and non-participant observations (Kumar, 1999). The main difference between these two types is a position of observer. In the first case, observer is involved in the watched group and is a member of tested group (Kumar, 1999). Secondly, in case of non-participant observation, researcher is not involved (Kumar, 1999). He or she is in the inactive position and observes behavior in the group as an external observer (Kumar, 1999).

Saunders et al. (2003) mention few advantages and disadvantages of observation. As an advantage may be considered high findings of social process, especially in case of participant observation, it is possible to investigate “real behavior” in particular situations, especially if focused group is not aware that it is observed (Saunders et al. 2003). On the other hand, observation is time consuming and get in the organization may be very difficult (Saunders et al. 2003).

### **2.4.2 Interview**

Kumar (1999) defines interview as

*“any person-to-person interaction between two or more individuals with a specific purpose in mind”.*

According to types of questions used in the interview, it is possible to divide them into two categories – structured and unstructured (Kumar, 1999).

Structured interview is characterized by exactly defined open or closed-ended questions which are the same for all respondents (Kumar, 1999). Unstructured interview is also known as an in-depth interview (Saunders et al. 2003) and its main difference against structured interview is that questions are changed and formulated during the interview (Kumar, 1999). Structure of unstructured interview is not strictly defined and provides more flexibility.

### **2.4.3 Questionnaire**

The third method of data collecting is questionnaire, which is considered as the most useful method for survey strategy (Saunders et al. 2003). Kumar (1999) offers very simple definition:

*“Questionnaire is a written list of questions, the answers to which are recorded by respondents.”*

It is important to be aware, that in case of questionnaire survey, interviewer is not present and respondents do not have a chance to ask if they do not understand questions. To achieve adequate results from questionnaire, questions have to be easily understandable and respondents also have to have clear choice, how to answer or how to indicate their answer or opinion (Kumar, 1999).

The next point to note are limitation resulting from a low response rate (Kumar, 1999). A number of people who receive questionnaire will not be able or will not be willing to complete it. Therefore, researcher should be prepared for lower number of responses and should consider this fact at the beginning of the research.



According to Kumar (1999), questionnaire might be considered as a less expensive data collecting method. Particularly in recent usage of the internet and e-mails, distribution of questionnaires is almost free.

As an important advantage is mentioned anonymity connected with questionnaire survey, which is very useful especially when research is focused on more personal topic such as drugs, personal finances, etc. (Kumar, 1999).

#### 2.4.3.1 Design of the questionnaire

To create good questions for the questionnaire is the most important part of the research. Saunders et al. (2003) explain key feature of the questionnaire:

*“ the question must be understood by the respondent in the way intended by the researcher and the answer given by the respondent must be understood by the researcher in the way intended by the respondent”*

It is obvious, that badly asked questions might cause inaccurate results or invalidity of the research.

In general, two types of questions are used – open and closed (Saunders et al. 2003). Open questions are usually used in case of interviews (Saunders et al. 2003). Open questions are not considered as a very suitable for questionnaire survey because of its wide possibility of answering and its more difficult evaluation (Saunders et al. 2003). In contrast, closed questions are very useful for this type of research. These provide easier evaluation of data and closed questions are also easier for respondents to understand and answer (Saunders et al. 2003).

#### 2.4.3.2 Design of this research and reasoning questions

Following part illustrates which kinds of questions have been used in final questionnaire (see Appendix 1) and it is explained the main purpose of asked questions. Questionnaire includes six questions. Five questions are focused on cheap fashion consumer's buying approach and sixth question is divided into six parts concerning demographic characteristics of respondents:

**Question 1: Indicate how important are following statements for you in case of clothes purchase decision:**

- the price of clothes
- the place where the clothes are produced
- the brand of the clothes
- the store where the clothes is sold
- whether the clothes are fairly traded
- store background
- quality of the goods
- uniqueness of the goods

This question is connected with costumer preferences in case of clothes purchase decision.

The main purpose has been to find out if factors like fair trading or provenance of the clothes is important for costumer or if they are more focused on brand, price, quality, etc.

Respondents ticked how important were mentioned factors.

Unimportant	Circumstantial	Neither important or unimportant	Important	Very important

**Question 2: How much do you monthly spend on clothes? Tick right answer.**

The purpose of this question has been to prove increasing spending in case of clothes.

For this question could be used quantity question. For easier classification ranges have been used and respondents could tick suitable range:

☐ less than 10 pounds

☐ 10-20

☐ 20-30

☐ 30-40

☐ 40-50

☐ more than 50 pounds

**Question 3: Indicate how often you buy clothes in following stores.**

These stores were stated: Primark, Tesco, Next, Asda, Sainsbury's, T&K Max. These very stores are connected with "cheap fashion" issue and are also considered as the most frequent stores for buying clothes. The purpose has been to confirm or reject this statement.

Respondents ticked how often they do shopping in mentioned stores.

Never	Very rarely	Occasionally	Sometimes	frequently
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#### **Question 4: Do you know... ?**

In the list were asked these questions:

- Where are produced clothes for mentioned stores?
- What is Code of Conduct?
- What is sweatshop?
- What is ILO?
- What is Labor behind Label?
- What is SA 8000?

Respondents ticked if they know or do not know the answer for mentioned questions, therefore their knowledge and awareness has been found out.

#### **Question 5: Try to imagine this situation: You know, that provenance of cheap fashion is unethical. Workers do not get minimum wage, they are abused and working conditions are terrible. Would that change your purchase decision in mentioned stores?**

Respondents chose yes or no answer. They also had a space for prospective comments. The purpose of the fifth question has been to find out, if knowledge of mentioned conditions of workers might change purchase decisions of consumers or if there still prevail the opinion, that I, as a consumer, cannot do anything with it and cannot help anybody with not buying “cheap fashion”.

#### **Question 6: Demographic characteristics**

Demographic characteristics will help to confirm or reject following statements:

**Sex:** “Cheap fashion” is mainly bought by women.

**Age:** Young people (under 30) are majority of “cheap fashion” buyers.

**Occupation:** Mainly students buy “cheap fashion” clothes because of their lower incomes.

**Month income:** People with higher income (more than 1000 pounds) do not do shopping in mentioned stores.

**Place of residence:** Majority of “cheap fashion” buyers live in the city with more than 700 000 inhabitants. Stores are located in bigger cities and their inhabitants have got more opportunities to do shopping in these stores.

**Finished education:** Highly educated people (university) do not buy “cheap fashion” clothes and their awareness about cheap fashion issue is higher as well.

#### 2.4.3.3 Administering the questionnaire

To choose suitable way to administer the questionnaire depends on sample which is tested and to choose method which could guarantee the highest response rate (Saunders, 2003).

For this research have been used colleagues, supervisors and managers from researcher's workplace as suitable respondents. To achieve at least 70 completed questionnaires, these respondents have been asked to pass these questionnaires on to their friends and relatives. After one week term, 109 questionnaires have been collected.

Chosen questionnaire administration has proved to be very useful and cheap in case of this research.

### **2.5 Validity, reliability, ethics**

#### **2.5.1 Validity**

The principle of validity is explained by Kumar (1999) as an assurance that information resulting from research is exactly the information which can provide required measurements.

#### **2.5.2 Reliability**

According to Kumar (1999):

*“If a research tool is consistent and stable, and hence, predictable and accurate, it is said to be reliable.”*

It is not possible to have totally reliable tool, there are always factors which might lower research reliability. Kumar (1999) states few of them:

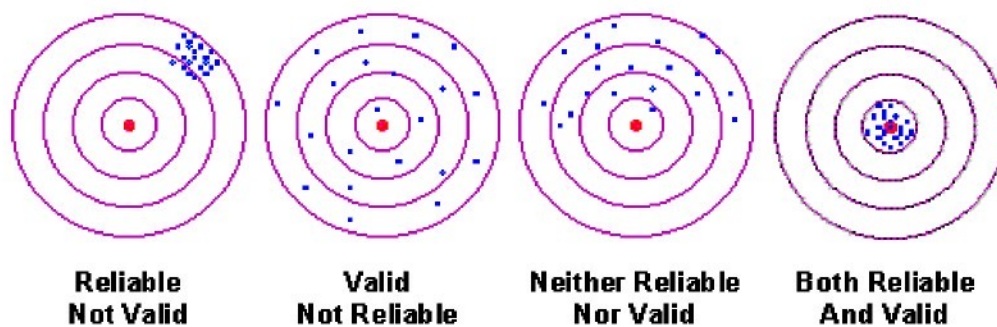
- A wording of questions.
- A respondent's mood.
- A physical setting.
- A regression effect of an instrument.

All mentioned factors are considered as a critical in this research. Respondents' mood and physical setting might also be a barrier during completing questionnaire. Especially the last factor has been seen as the most critical in this research. Kumar (1999) explains that this factor must be taken into account particularly in research about “tricky” issues, which has been confirmed during this research. Respondents felt guilty or unsure that they do not know

any of mentioned terms in the questionnaire, which could change their answers and lower reliability of the research.

### 2.5.3 Reliability & Validity

Trochim (2006) points out, how important is connection between reliability and validity. In his writing he explains this connection on the example with targets, which is indicated on following picture:



*Reliable Not Valid:* In this case, researcher do not test right sample. Data, which are got, cannot be used for required research – not valid, but are considered as reliable.

*Valid Not Reliable:* Data obtained by this type of research are good for group but not for individual. Therefore, research is valid, but not reliable.

*Nether Reliable Nor Valid:* Right sample is not tested, further the research is not adequate for individuals, but rather for group.

*Both Reliable and Valid:* The best is this case. Research is focused on good sample, which can provide reliability and validity as well.

Trochim (2006)

### 2.5.4 Ethics

To make the research covers also ethical issues. Researcher has to be aware, that respondents collaborate voluntarily and they have to familiarize with purpose of the research (Kumar, 1999).

This research takes ethical issues into account. During investigation unethical methods have not been used, research participants have been acquaint with research purpose and their participation has been strictly voluntary.

### **3 RESEARCH RESULTS AND ANALYSIS**

#### **3.1 Introduction**

This chapter will show results obtained by questionnaires. Each question of the questionnaire was considered and all obtained data were evaluated and supported by diagrams and graphs.

#### **3.2 Statistical test**

In this study has been used only sample of population. Therefore, it is necessary to prove whether data which are obtained are significant and resulting statements could be used as an evaluation for entire population (Sarantakos, 2007). To discover the significance of test outcomes, SPSS (statistical program) has been used for this study. In the concrete, as the most suitable method has been chosen Chi-square test – goodness-of-fit test which is a nonparametric test of significance and compares one sample with a nominal variable and frequency data (Sarantakos, 2007).

What is important for result is so called p-value (Sarantakos, 2007). The level of significance is determined by number 0.05. If ascertained p-value is lower than 0.05, the results can be considered as significant and can be used for entire population (Sarantakos, 2007). Otherwise they are not significant (Sarantakos, 2007).

#### **3.3 Results from questionnaires**

For obtaining primary data, people without any specific characteristics were addressed to complete questionnaire. Final number of completed questionnaires was 109, whereas 6 of them could not be used because of missing data. Therefore, 103 questionnaires were suitable for data evaluation.

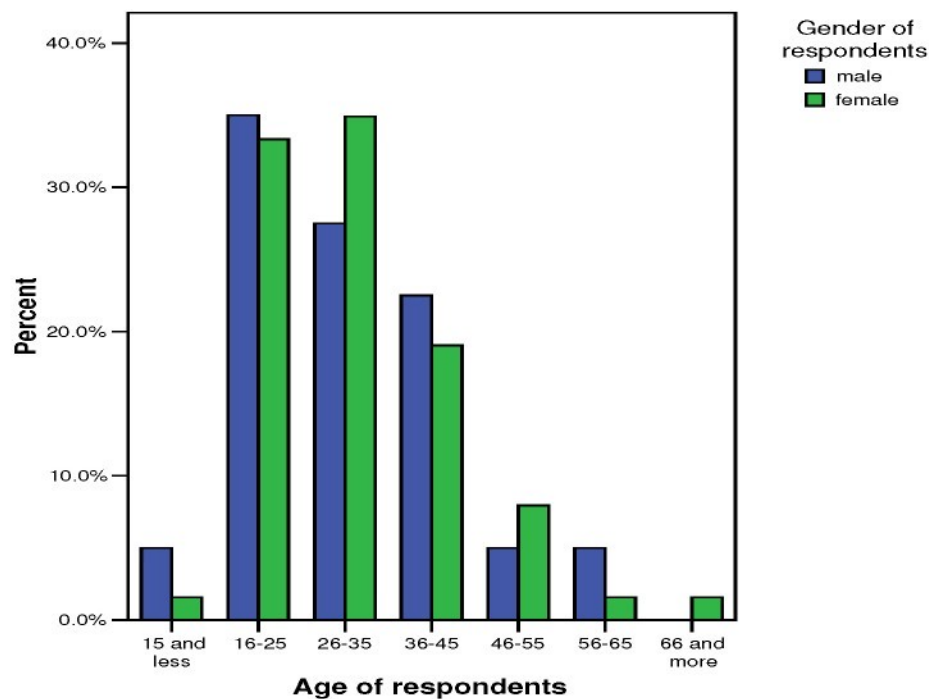
Firstly, demographic characteristics were assessed. Secondly, issues connected with this research were summarize, such as preferences during clothes purchase process, month spending on clothes, visit rate of selected stores and finally awareness and knowledge in case of provenance of the goods they buy and existing acquisitions against unethically produced goods.

### 3.3.1 Demographic characteristics

Following charts illustrates structure of participants in this research according to their gender, age, income and finished education.

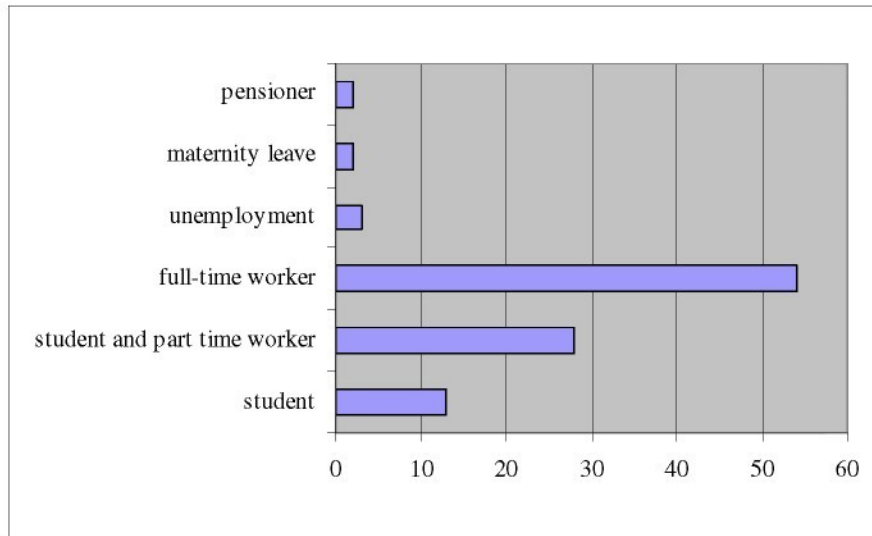
Total number of respondents in this research was 103 respondents. Majority were women in age group from 26 to 35 years. The group of men was the most frequently represented by men by age group 16 to 25 years old. Chart 3.1 illustrates age structure of respondents. Author of this research tried to get various types of people. However, chart 3.1 shows that majority of research participants were people from 16 to 35 years.

**Chart 3.1 – Age groups and gender of respondents**



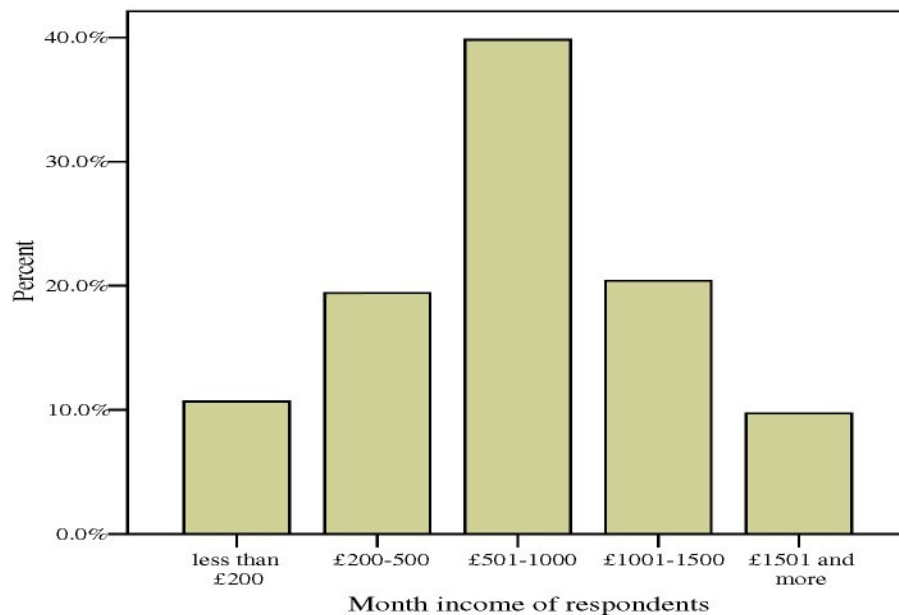
The most frequent occupation was full-time worker and the less principal occupation were retirements, women on maternity leave and unemployed, which illustrates chart 3.2. X-axis illustrates number of respondents rank into particular occupation.

**Chart 3.2 – Occupation of respondents**



According to respondents' income, people with their month income from £501 to £1000 proved to be the most frequent, they were represented in almost 40% (from 103 respondents). Chart 3.3 illustrates this incomes lay-out.

**Chart 3.3 – Month income of respondents**

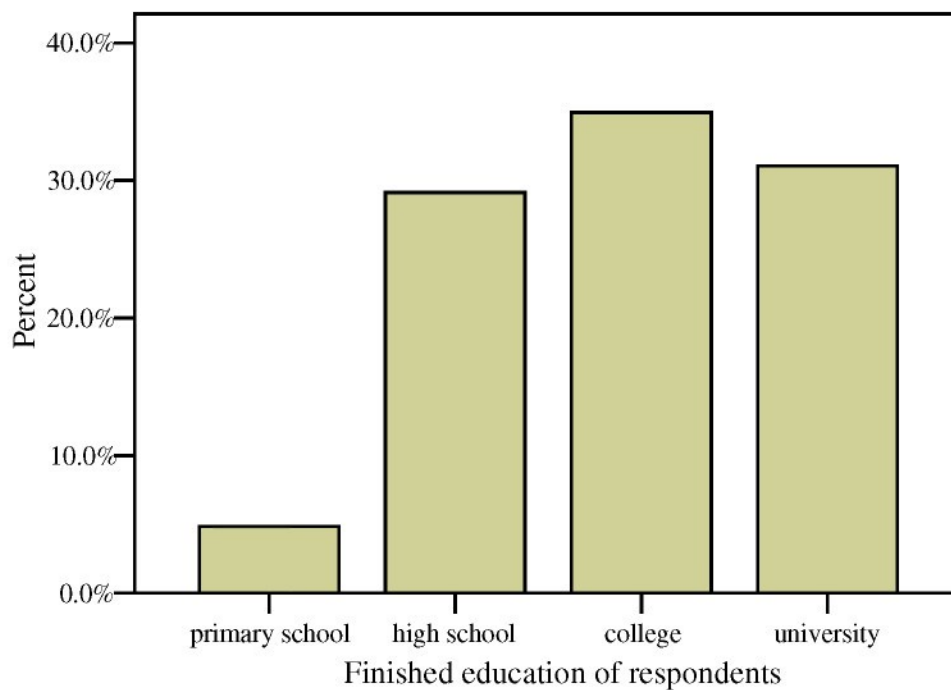


Finally, aspect of finished education of respondents was also important during data evaluation. Chart 3.4 shows that the most frequent respondents' finished education was (from



103 respondents) by 35% college, academical education followed in approximately 31% and secondary education was represented by 29%.

**Chart 3.4 – Finished education of respondents**



### ***3.3.2 Preferences during clothes purchase process***

According to realized primary research, buyers are during their clothes purchase process influenced by few aspects. Respondents indicated how important were following aspects particularly for them and these factors were evaluated and ranged according to their importance during clothes purchase process (number one is considered as the most important, number eight as the less important factor):

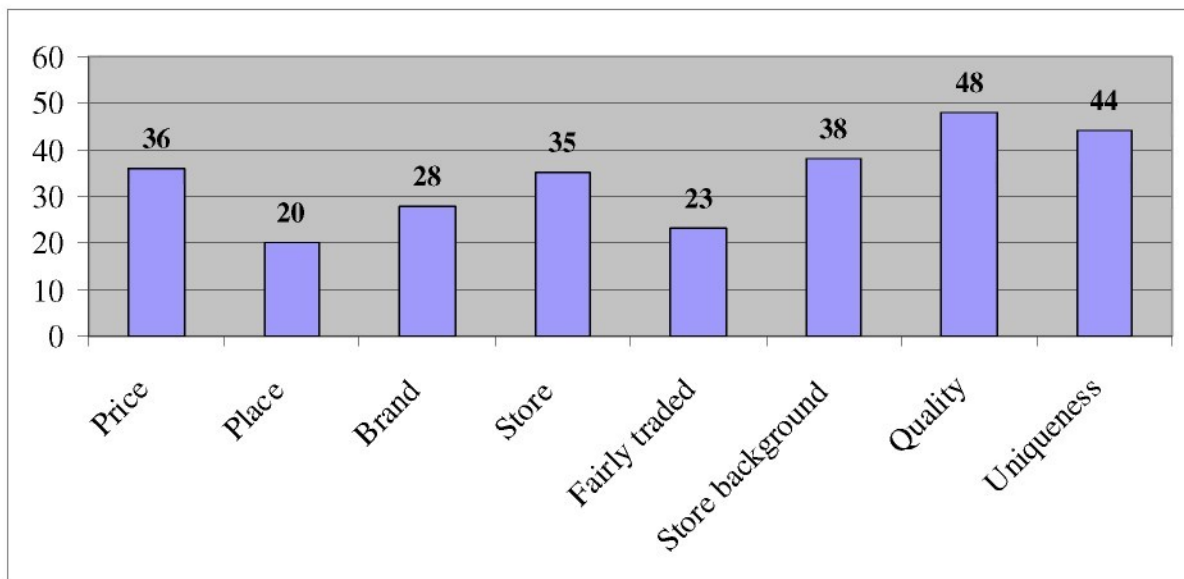
1. The quality of clothes.
2. The uniqueness of clothes.
3. The store background. (kind staff, ...)
4. The price of clothes.
5. The store where clothes is sold.
6. The brand of the clothes.

7. Whether the clothes are fairly traded.
8. The place where the clothes are produced.

Mentioned factors and their significance during clothes purchase decision are illustrated in chart 3.5. Research showed that questions about fairly traded goods and provenance of goods were from all mentioned factors the less important for consumers. Numbers highlighted in the bar chart specify number of respondents.

Table 3.1 illustrates results of statistical chi-square good-on-fit test. P-value is lower than level of significance 0.05, therefore it is possible to say, that results of this research are significant for entire population.

**Chart 3.5 – Preferences during clothes purchase decision**



**Table 3.1 – Chi-square good-on-fit test – Preferences during clothes purchase decision**

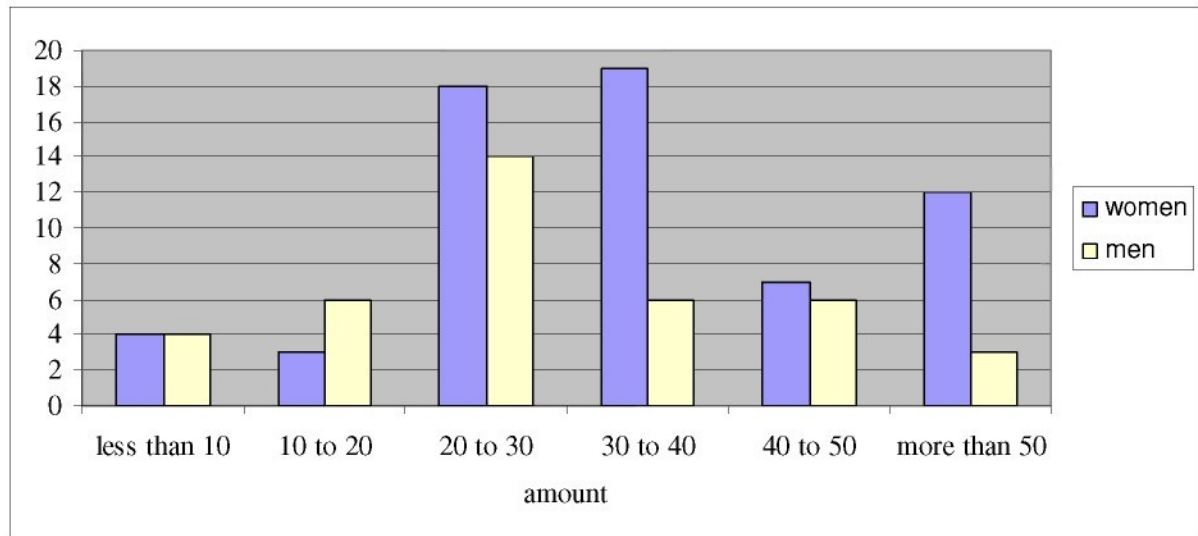
	The price of the clothes	The place where the clothes are produced	The brand of the clothes	The store where the clothes is sold	Whether the clothes are fairly traded	Store background	Quality of the goods	Uniqueness of the goods
Chi-Square(a)	28.602	23.748	34.233	31.903	36.951	42.097	55.010	40.447
df	4	4	4	4	4	4	4	4
Asymp. Sig.	.000	.000	.000	.000	.000	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 20.6.

### 3.3.3 *Month spending on clothes: women & men*

Following chart 3.6 illustrates differences between female and male spending on clothes.

**Chart 3.6 – Month spending on clothes: women & men**



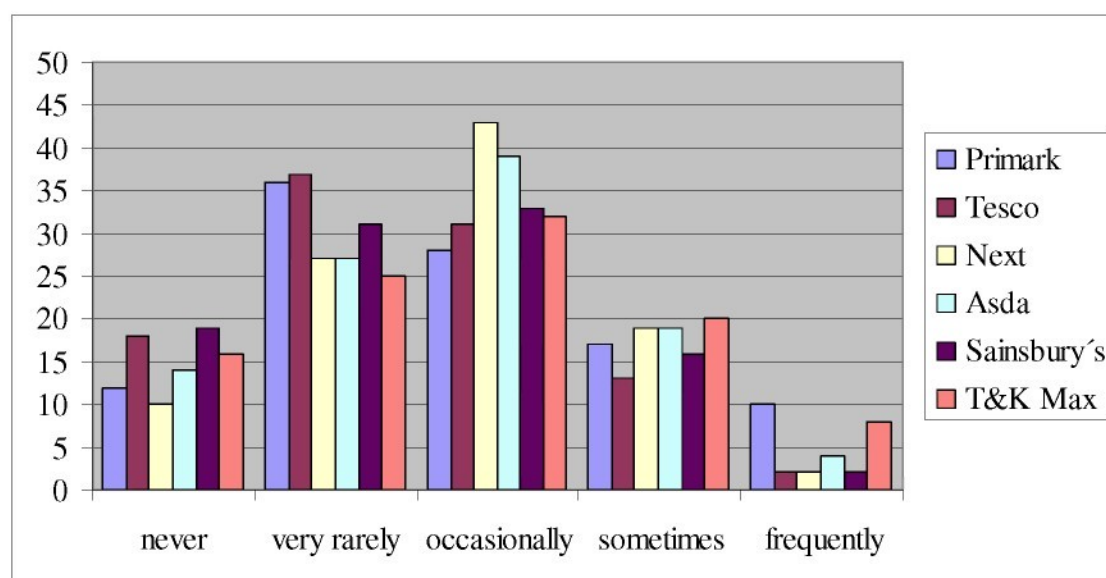
In spite of fact, that number of male respondents was lower, it is possible to say that month spending are higher for women. They spend most frequent £30 to £40 monthly. Majority of men indicated month interval £20 to £30.

### 3.3.4 *Frequency of shopping in selected stores*

Respondents were asked to indicate, how often they do shopping in selected fashion stores. All of them are stores which are connected with sweatshops issue, but Primark, Tesco and Asda are considered as the most questionable in this area (Labor behind Label, 2007). The highest number of respondents indicated that they shop in Primark very rarely, which is the same for Tesco. Asda has the highest number of respondents in the middle – occasionally. Results of all of selected stores are illustrated in chart 3.7.

Chi-square good-on-fit test is illustrated in table 3.2. Pursuant to ascertained p-value, data are considered as significant.

**Chart 3.7 – Popularity of selected stores**



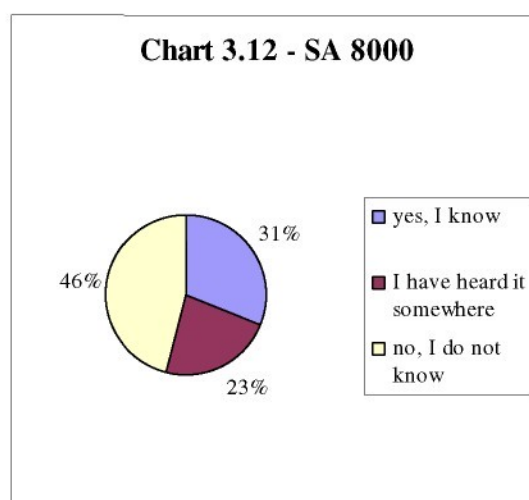
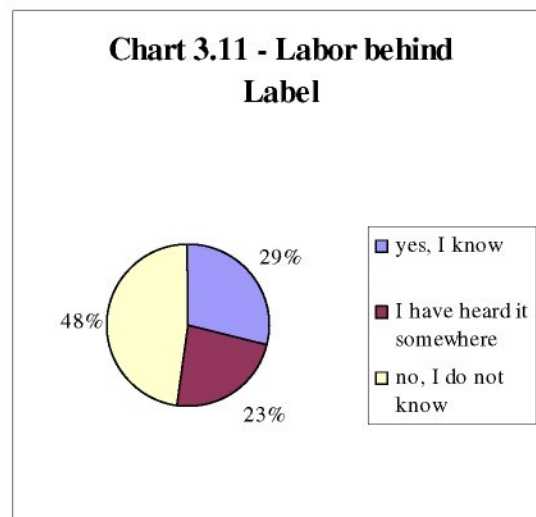
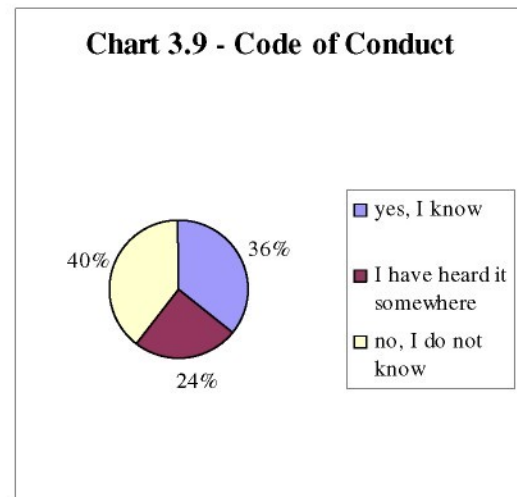
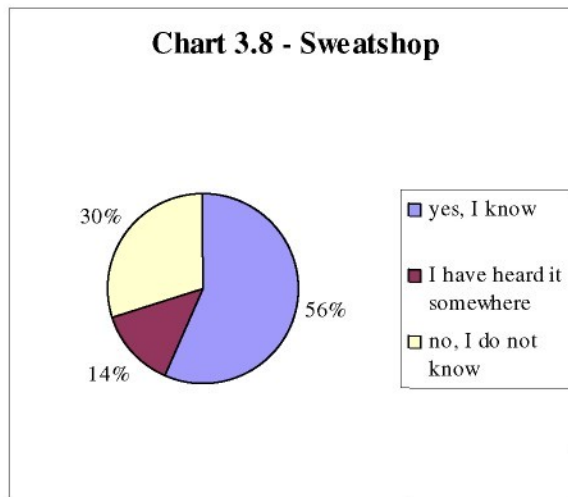
**Table 3.2 – Chi-square good-on-fit test – Popularity of selected stores**

	Primark	Tesco	Next	Asda	Sainsbury's	T & K Max
Chi-Square(a)	24.718	35.689	46.175	34.913	32.777	19.087
Df	4	4	4	4	4	4
Asymp. Sig.	.000	.000	.000	.000	.000	.001

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 20.6.

### ***3.3.5 Awareness of the cheap fashion buyers of acquisitions supporting unethical clothes production***

Following charts illustrate knowledge and awareness of public in case of acquisitions supporting unethical clothes production. Respondents indicated how familiar were following terms for them: sweatshop, Code of Conduct, International Labor Organization, Labor behind Label and SA 8000.



**Table 3.3 – Chi-square good-on-fit test – The awareness of selected terms and organizations**



	What is Code of Conduct	What is sweatshop	What is ILO	What is Labor behind Label	What is SA 8000
Chi-Square(a)	4.039	28.680	8.699	7.534	9.340
Df	2	2	2	2	2
Asymp. Sig.	.133	.000	.013	.023	.009

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 34.3.

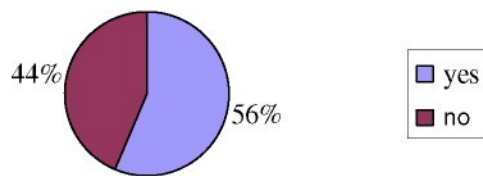
As the best known term *sweatshop* was found. More than 50% of participants of the research indicated that they know this term – see chart 3.8. In contrast, *Labor behind Label* was discovered as a less known which is not surprising seeing that this organization is known more between people who are aware of unethical clothes production, while Code of Conduct, International Labor Organization and SA 8000 are organizations and terms known within companies and are part of their social responsibility issue.

According to chi-square good-on-fit test and its results illustrated in table 3.3, only results for question ‘What is Code of Conduct?’ cannot be considered as significant, because of p-value 0.133 which is higher than significance level 0.05.

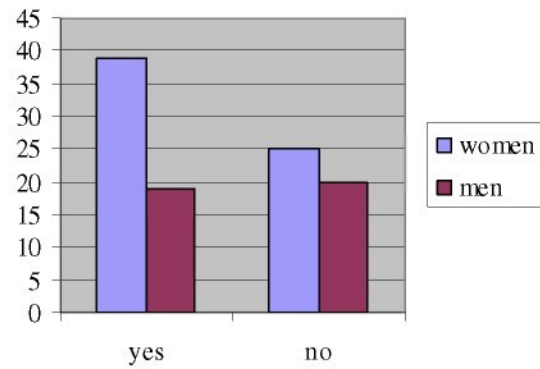
### 3.3.6 *Would consumers’ decision change if they know unethical practices during production?*

Respondents were asked to imagine that provenance of cheap fashion is unethical, workers do not get minimum wage, they are abused and working conditions are terrible. The main purpose of this question in the questionnaire was to find out if this finding would change respondents’ clothes purchase decision. They ticked yes/no and they had also space to add comments to their answer. However majority of respondents did not exploit this opportunity. Chart 3.13 illustrates proportion of yes and no answers. Chart 3.14 shows more detailed proportion of men and women answers. In spite of fact, that men respondents were minority, women would change their decision more probable than men, which was expected according to advanced women’ social feelings.

**Chart 3.13 - Would findings that clothes are produced unethically change buyers' purchase decision?**



**Chart 3.14 - Women & Men**



### 3.4 Summary

The main purpose of this chapter was to illustrate basic structure of research participants according to demographic characteristics and their answers in questionnaires have been evaluated in general. More detailed evaluation will be shown in discussion. Obtained results from this chapter will be used to confirm or reject hypothesis of the research, evaluation of research objectives and finally, research questions will be answered.

## **4 DISCUSSION AND RECOMMENDATIONS**

### **4.1 Introduction**

The main purpose of this research was to establish awareness of the public in UK of unethical practices during production of the cheap clothes and find out whether people know about acquisitions in this area. Secondary data used in the literature review outline principal necessities in working business, such as business ethics, social responsibility, etc. and also background of the production in developing countries which proves that principal necessities do not really work sometimes. Secondary data were also used to describe consumer behavior in case of fashion and its changes caused by boom of the stores offering extremely cheap clothes.

Primary data have been acquired by creation and administration of questionnaire. Data, which have been achieved, answered for stated research questions, objectives and hypothesis which have been introduced at the end of the literature review.

Discussion of findings will be now discussed in relation to research objectives and research hypothesis will be confirm or reject pursuant to evaluated data in conclusion along with research questions.

### **4.2 Discussion of findings**

Evaluated primary data will be discussed by the help of research objectives which were stated for this research at the end of literature review.

#### ***4.2.1 Research objective 1***

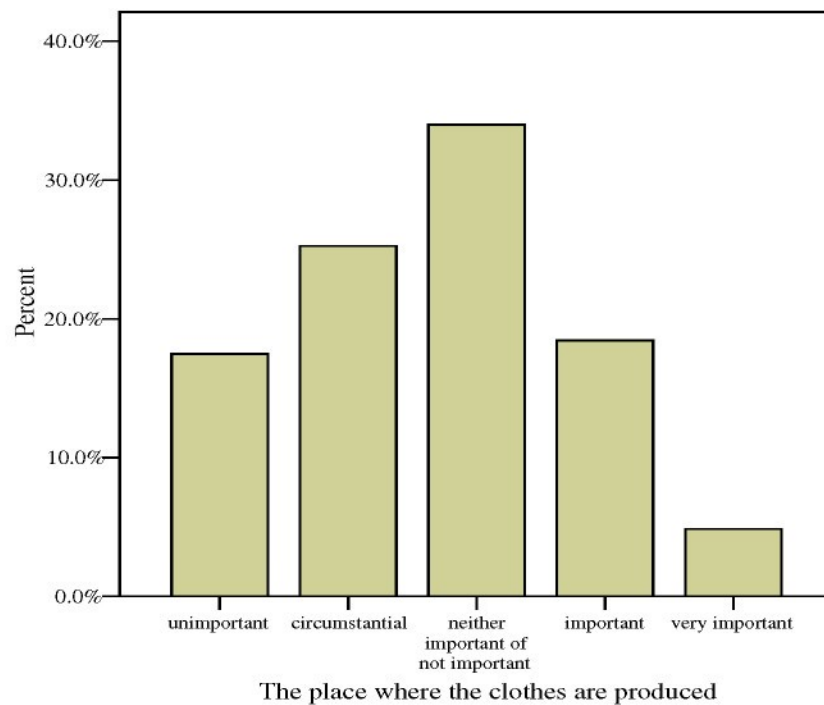
*To determine how important are issues connected with provenance of the goods and unethical practices during production for customers' purchase decision.*

Preferences during clothes purchase decision were evaluated in subhead 3.2.2 in conjunction with chart 3.5. Survey has proved that place where the clothes are produced and fact, whether the clothes are fairly traded were the less important for the majority of respondents. The

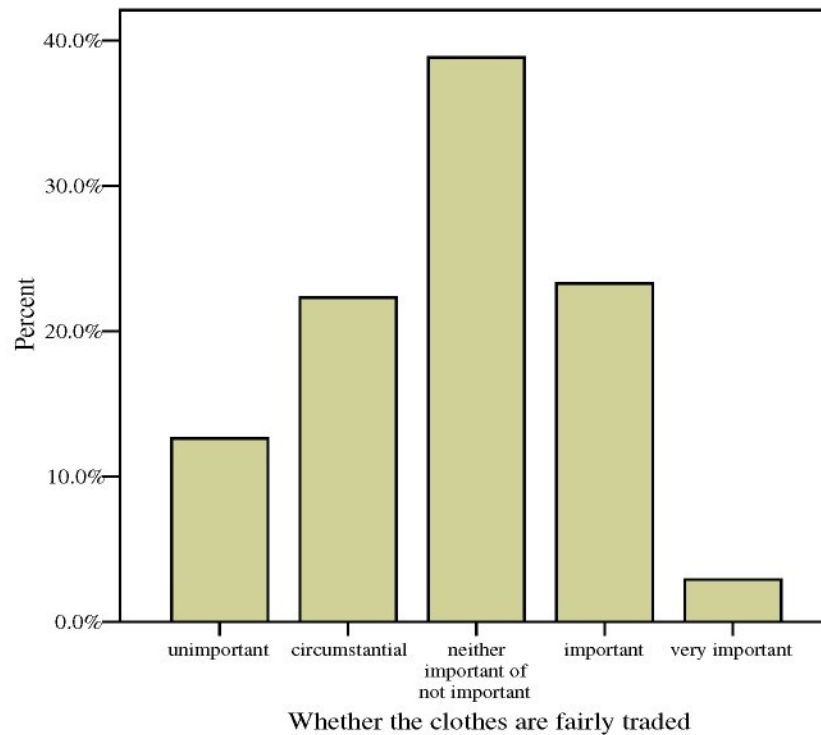


composition of answers is illustrated in charts 4.1 and 4.2. Approximately 17% of respondents from total number 103, considered the place where the clothes are produced as unimportant, whereas for less than 4% was this factor very important. Whether the clothes are fairly traded is unimportant for almost 13%, whereas 3% considered this factor as a very important.

**Chart 4.1 – The place where the clothes are produced**



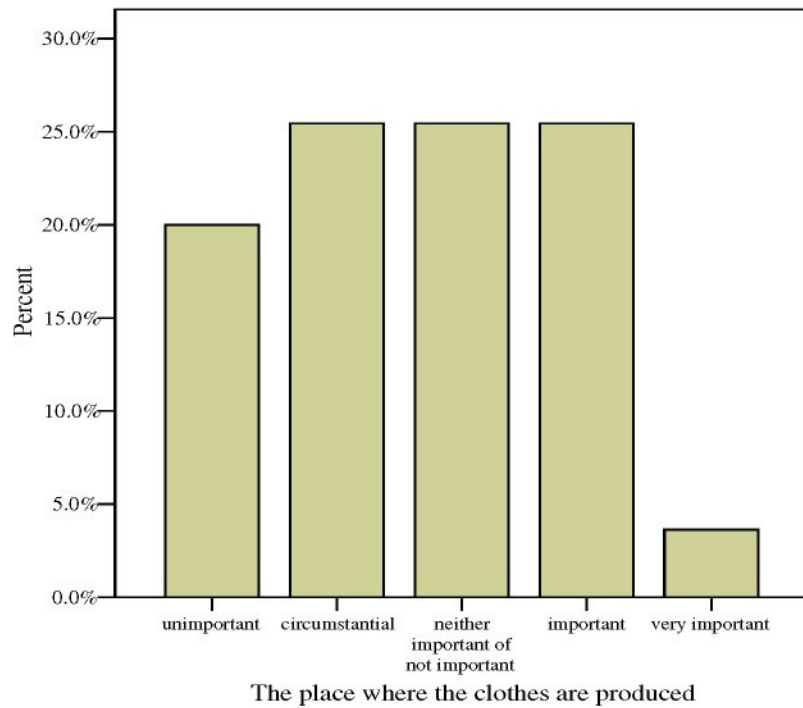
**Chart 4.2 – Whether the clothes are fairly traded**



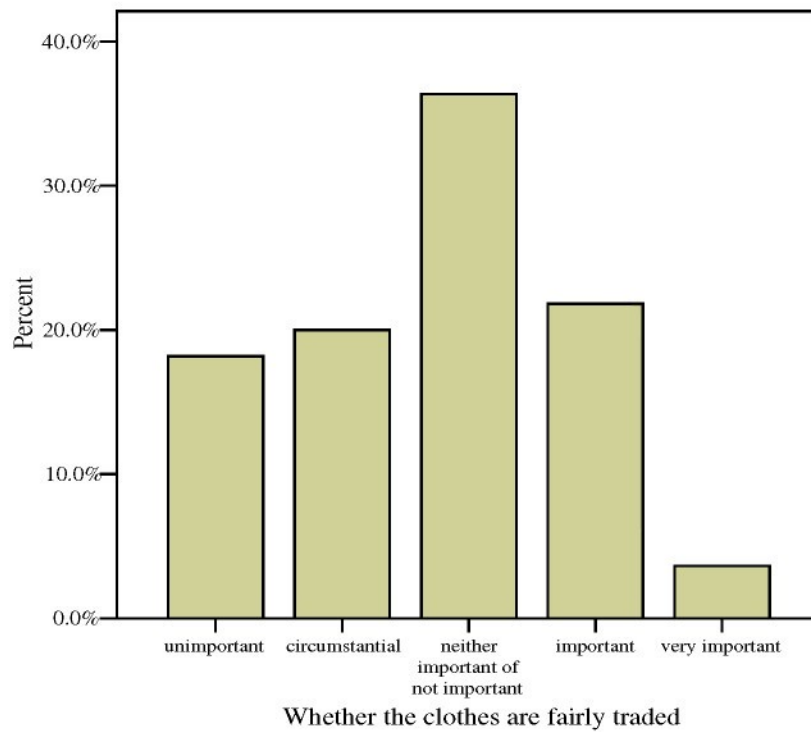
Only for purpose of this research, term ‘cheap fashion buyers’ have been defined. As a cheap fashion buyers have been indicated participants who do shopping in Primark, Asda and Tesco – sometimes or frequently. After evaluation of obtained data, 55 cheap fashion buyers were revealed.

The importance of the place where the clothes are produced and whether the clothes are fairly traded has also been analyzed particularly for cheap fashion buyers and results are illustrated in charts 4.3 and 4.4. Proportion of respondents who indicated that place where the clothes are produced is unimportant is 3% higher than in case of total sample, whilst proportion of respondents who indicated *important* is the same in both cases. Very similar findings were discovered in question of fairly traded clothes. Respondents who indicated unimportant was 3% higher than in case of total sample and important was indicated in the same proportion as in case of total sample – 3%.

**Chart 4.3 – The place where the clothes are produced – cheap fashion buyers**



**Chart 4.4 – Whether the clothes are fairly traded – cheap fashion buyers**



To summarize, it is not confirmed that mentioned factors connected with provenance and unethical practices during production are not important for consumers. These factors were indicated as the less important rather because consumers do not care and they do not consider

these factors as possible factors influencing their purchase decision. There was not found any particular dissimilarity in purchase preferences for cheap fashion buyers.

#### **4.2.2 Research objective 2**

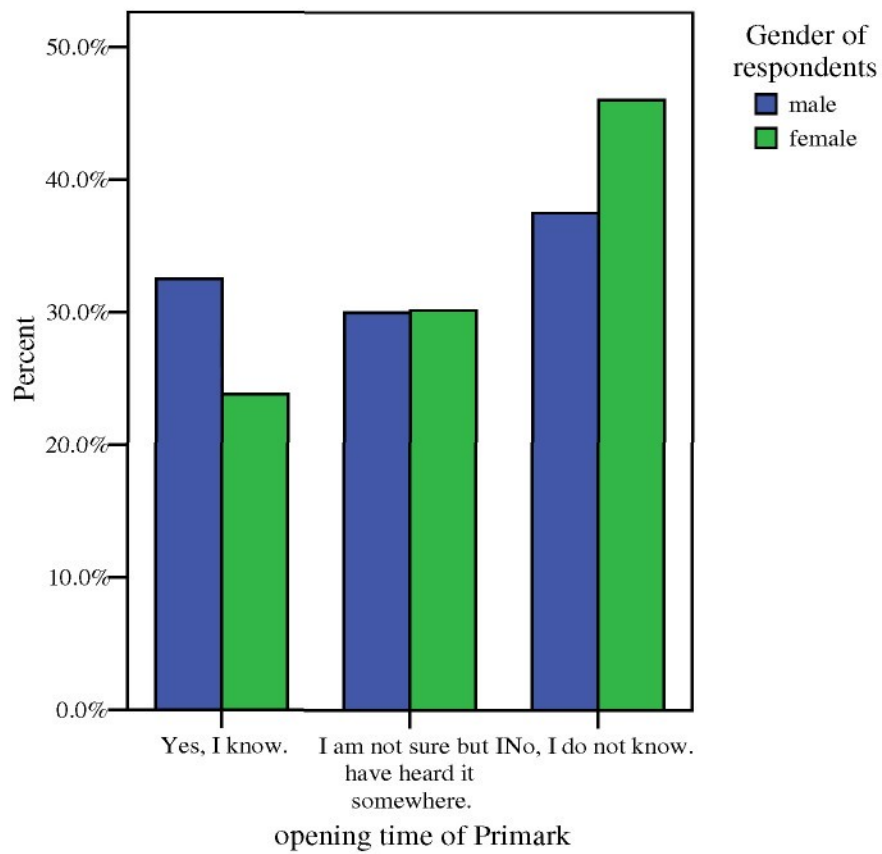
*To find out whether Primark, Asda and Tesco ranks among the most frequent visited stores (as the most questionable stores connected with surveyed issue).*

Chart 3.7 in subhead 3.2.4 illustrates popularity of selected stores. This chart demonstrates that majority of respondents indicated that they shop in Primark and Tesco very rarely, in Asda occasionally. These results might prove Atwood's (2007) and Holt's (2007) predictions mentioned in literature review in chapter "Fashion buyers": consumers are starting to be bored with cheap clothes and they are looking for something more unique and are also prepared to pay little bit more for this uniqueness. This statement is evident from chart 3.7 as well. Next and T&K Max might be considered as popular stores in spite of higher prices of the goods. This finding confirms that price is not the most important aspect during clothes purchase decision, which was illustrated in chart 3.5. Buyers are more orientated on quality and uniqueness which is in Next and T&K Max achieved.

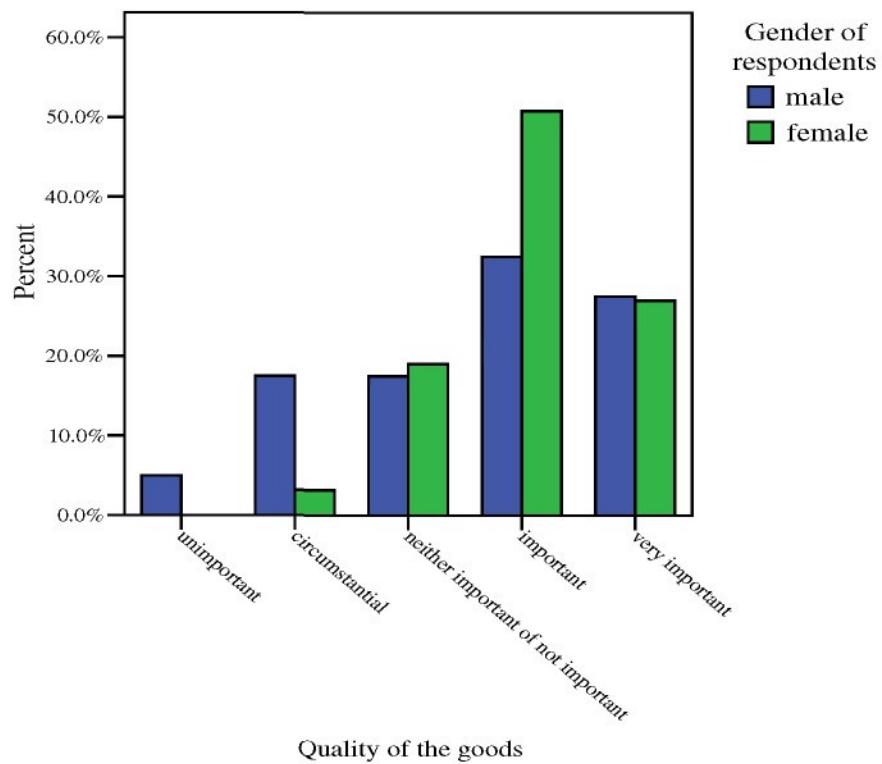
Chart 4.5 illustrates, whether people know opening time of Primark. It was discovered, that majority of people are not aware of this information which could support previous statements that do shopping in stores offering cheap fashion is becoming less popular. According to chart 4.5 was also found very interesting point. As it is evident, 'Primark opening time' knows 24% of women, whereas percentage of men prevails with 33%. This finding could be attribute to the fact, that men are generally considered as a less interested in fashion, therefore they do not search for uniqueness and quality which in Primark lacks. The importance of quality and uniqueness for men, during their clothes purchase decision was deduced from chart 4.6 and 4.7.

As it is possible to see, approximately 50% of women consider quality as important, whereas proportion of men is 31%. Similarly has been analyzed chart 4.7. Proportion of women considering uniqueness of the clothes as important is 48%, whereas proportion of men is represented by 31%.

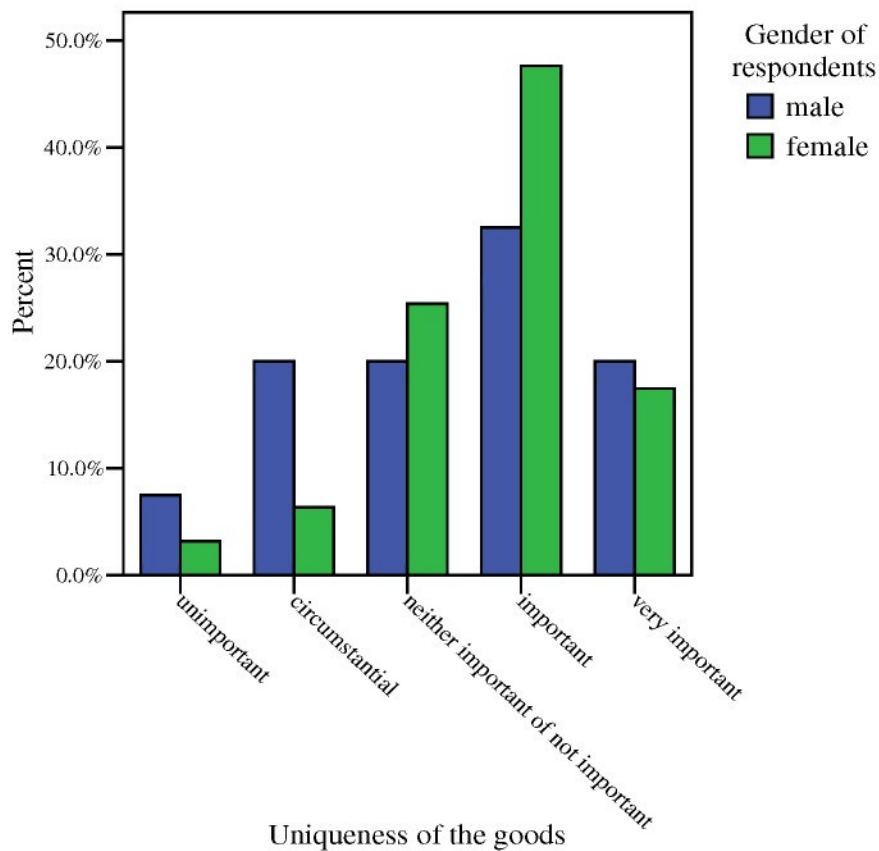
#### **Chart 4.5 – Opening time of Primark**



**Chart 4.6 - Quality**



**Chart 4.7 - Uniqueness**



Therefore, to summarize research objective 2, Primark, Asda and Tesco does not rank among the most frequent visited stores. However, in context of research objective 1, it was not proved that lower visit rate of these stores is influenced by unethically produced clothes which are sold in mentioned stores.

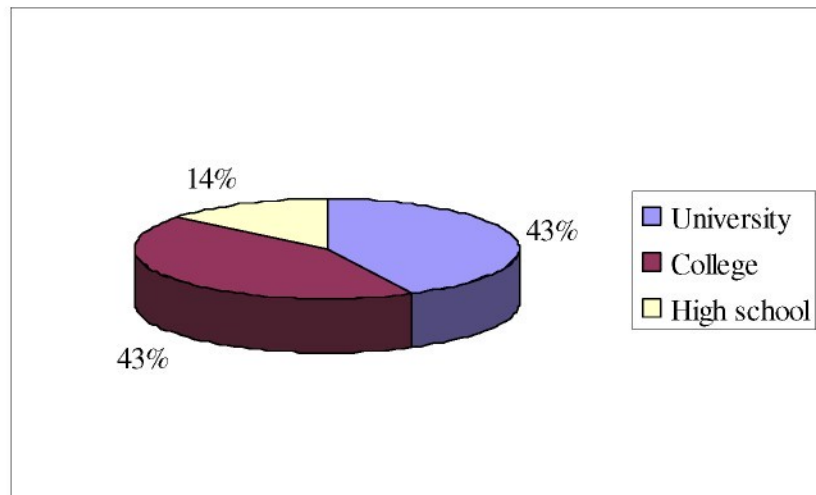
#### **4.2.3 Research objective 3**

*To identify knowledge and public awareness of terms and organizations connected with surveyed issue: sweatshop, Code of Conduct, International Labor Organization, Labor behind Label, SA 8000.*

Charts 3.8 to 3.12 illustrate public knowledge of mentioned terms in general. To summarize, as the best known term *sweatshop* was found. More than 50% of participants (from 103 respondents) of the research indicated that they know this term – see chart 3.8. In contrast, *Labor behind Label* was discovered as a less known.

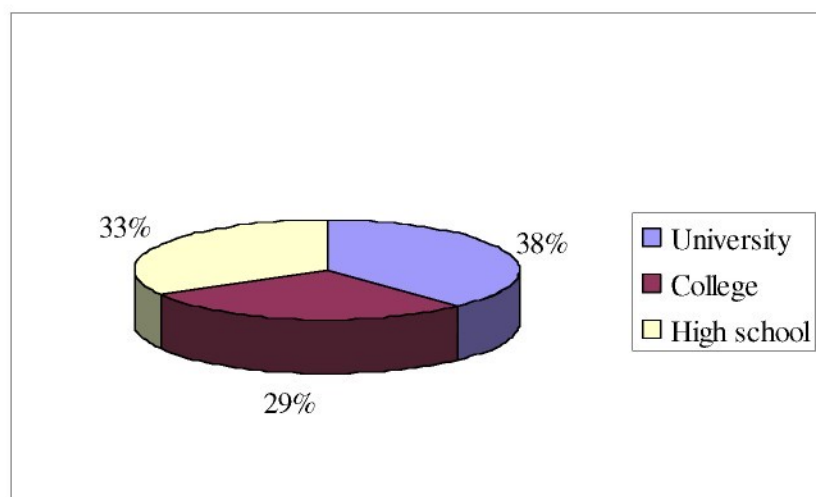
Further evaluation of obtained data has approved that 13 people of all 103 participants know all mentioned terms. Chart 4.8 shows their finished education. It was expected that academic education (university) will be represented the most frequently, however survey showed the same percentage of people with university and college finished education.

**Chart 4.8 – Finished education of aware people**



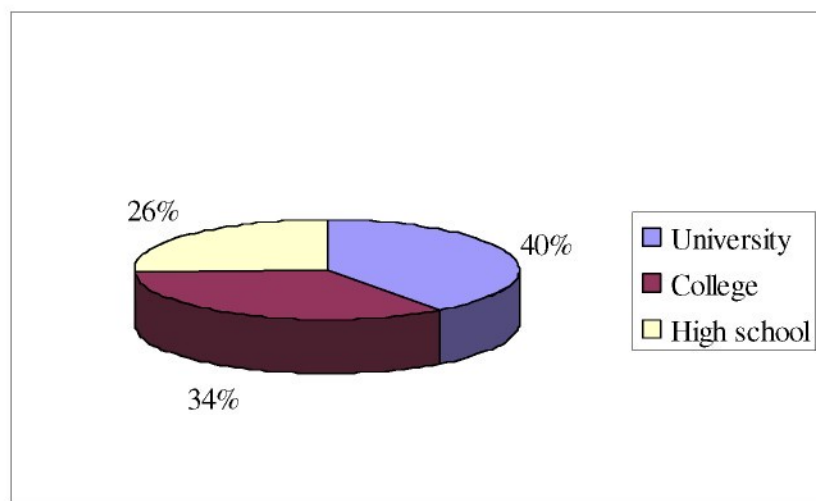
Respondents who indicated that they know three of four terms from five mentioned were indicated as “respondents with middle knowledge” and were represented by 21 respondents, which means approximately 20% from total. In this group prevails academic education which is illustrated in chart 4.9.

**Chart 4.9 – Finished education of respondents with ‘middle knowledge’**



General knowledge and public awareness of mentioned terms is evident predominantly from charts 3.8 to 3.12. Author of this research pursued to find out if the majority of people, who are aware or at least “middle aware” are academically educated people. It was searched out that their proportion is the highest (40%), people with finished education on college follow (34%) and the third place fill people with secondary education (26%) – see chart 4.10. To conclude, it is possible to say that public awareness about terms connected with surveyed issue increases depending on level of finished education.

**Chart 4.10 – Finished education of aware and ‘middle aware’ people**



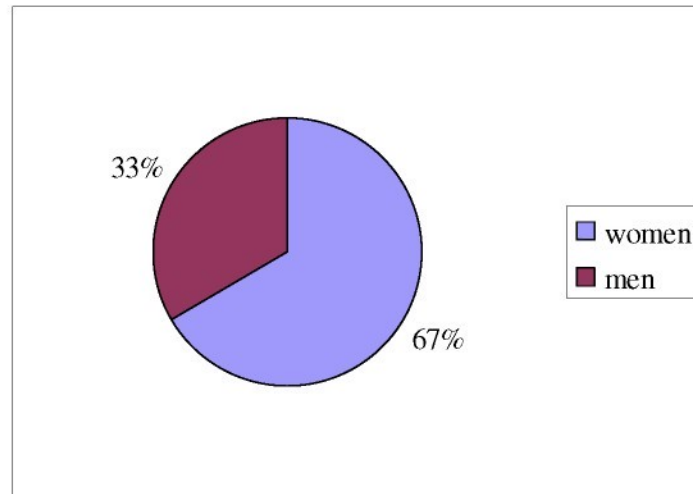
#### **4.2.4 Research objective 4**

*To identify distinctive characteristics of cheap fashion buyers.*

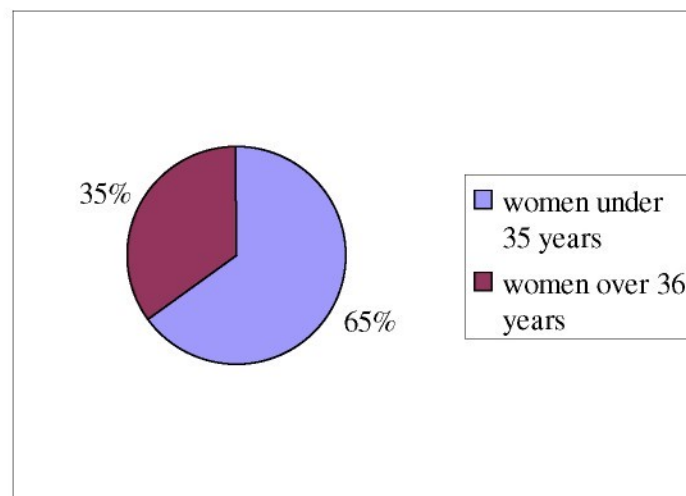
Firstly, it is necessary to remind that as cheap fashion buyers were considered: Respondents who indicated that they do shopping in Primark, Asda and Tesco – sometimes or frequently. In this research, total number of cheap fashion buyers was 55 (53.4%). According to the chart 4.11, women’s representation was 67%. Chart 4.12 parts women into two groups – women under 35 and women over 36 years which was important for more detailed specification of cheap fashion buyers. Women under 35 years prevail with 65%.



**Chart 4.11 – Gender of cheap fashion buyers**



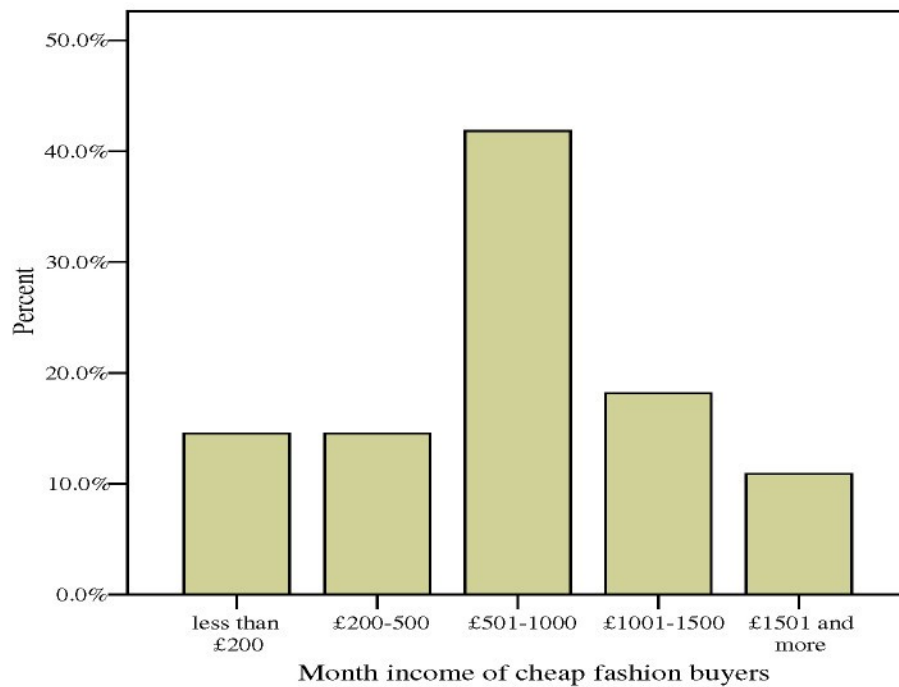
**Chart 4.12 – Age of cheap fashion buyers**



Other aspect which was under consideration was income. Data about incomes of cheap fashion buyers are noted in chart 4.13. Only for purpose of this study, low income has been stated ,less than £500‘.

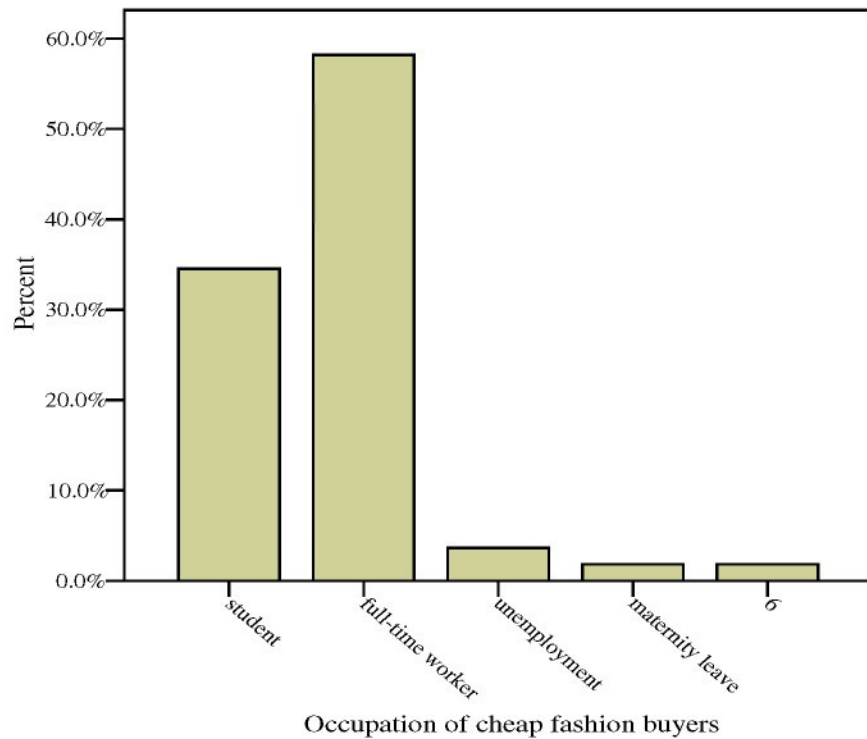
Almost 50% of cheap fashion buyers were included in income bracket £501 to £1000 pounds monthly. This income group might be considered as an average, but disagree with supposition that cheap fashion buyers are people with low income.

**Chart 4.13 – Month income of cheap fashion buyers**



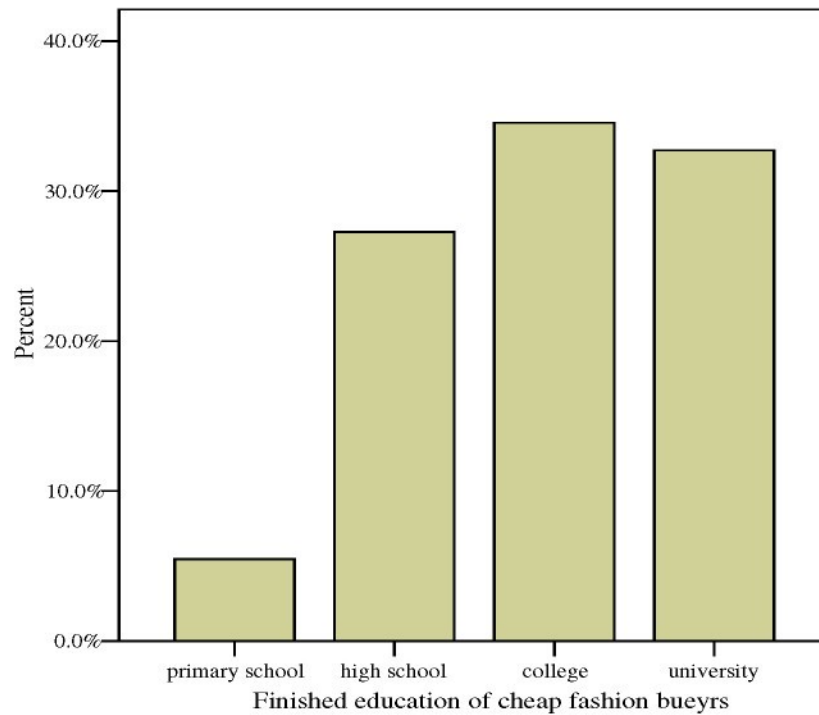
Occupation of cheap fashion buyers overcome presumption that cheap fashion buyers are predominantly students and other groups of people with lower incomes (unemployed, women on maternity leave and retirement). This statement is supported with results illustrated in chart 4.14. Full-time workers are represented the most frequently in proportion of 59%.

**Chart 4.14 – Occupation of cheap fashion buyers**



Finally, finished education was reviewed (see chart 4.15). In case of previous research objective it was found out that with increasing level of the finished education, public awareness of terms connected with surveyed issue increases as well. However, this continual proportion was not evidenced in case of finished education of cheap fashion buyers. High school, college and university - indicated as a highest level of education, had practically very similar percentage share. College is represented by 35%, academical university follows with 33% and the third place is represented by high school 28%.

**Chart 4.15 – Finished education of cheap fashion buyers**



To summarize this research objective, distinctive characteristics of the cheap fashion buyers were resumed and on basis of obtained data, typical cheap fashion buyer has been defined: Full-time working women, under 35 years, whose month income is between £501-£1000 with college as a finished education.

### 4.3 Conclusion

Summary of this chapter and simultaneously final conclusion of this study is based on hypothesis evaluation and finally, research questions will be answered.

**Hypothesis 1: Provenance of the goods is not an important factor in clothes purchase decision.**

It was demonstrated that provenance of the goods is not ranked between important factors during clothes purchase decision. It was proved that two mentioned factors connected with provenance of the clothes (place where the clothes are produced and whether the clothes are fairly traded) have the highest proportion of people who ticked *unimportant* than any of other mentioned factors. Therefore, it is possible to confirm hypothesis 1 and state: Provenance of the goods is not an important factor in clothes purchase decision.

**Hypothesis 2: In spite of unethically-produced goods, Primark, Asda and Tesco are the most popular stores in case of cheap fashion.**

It was demonstrated that the majority of respondents did not indicate Primark, Asda and Tesco as frequently visited. On that account, mentioned stores cannot be considered as the most popular stores in case of cheap fashion. On the other hand, as it has already been mentioned, it cannot be decided, that this is caused by unethically produced goods available in these stores. Therefore, hypothesis 2 cannot be confirmed but not even rejected on the basis of this research.

**Hypothesis 3: Finding that clothes they buy are produced unethically would change buyers' purchase decision.**

Chart 3.13 supports confirmation of hypothesis 3. It is demonstrated that 56% would change their decision if they would find out, that clothes are produced unethically.

**Hypothesis 4: The majority of cheap fashion buyers are women younger than 35 years.**

After consideration, as young women were determined women under 35 years old. (This statement is used only for purpose of this study.) According to chart 4.12, it was discovered that majority of cheap fashion buyers are in very truth women under 35 years and are represented by 65%. To summarize, it is possible to confirm hypothesis 4.

**Hypothesis 5: Majority of cheap fashion buyers are people with lower income, such as students and people with lower level of education.**

According to research objective 4, it has been discovered, that cheap fashion buyers are people with income between £501 and £1000. This denies the fact, that cheap fashion buyers are people with lower income (see chart 4.13). Chart 4.14 illustrates that the most frequent cheap fashion buyers are full-time workers, not students or other people with lower income due to unemployment, maternity leave or retirement and the last chart, chart 4.15 illustrates that majority of cheap fashion buyers are well educated people with college or university. Consequently, it is possible to reject hypothesis 5 pursuant to findings resulting from research objective 4.

Research has demonstrated that public knowledge (awareness) about provenance and ethical issues connected with the production of the cheap clothes cannot be considered as satisfactory. The same conclusion applies to acquisitions supporting ethical production of clothes. It has not even been proved that this awareness is dependent on finished education either. Therefore, author would recommend inclusion of this broad issue between general knowledge. Unfortunately, this issue is exactly the kind of question that people do not want to know about and they are not forced to find more information. On the other hand, survey has proved that if people would know about issues connected with unethical production it would change their purchase decision. And this means opportunity to do some changes, increase information in media and push consumers of cheap fashion to think about the reason, why the clothes they buy is so cheap.

Popularity of stores selected for this research has been already mentioned in previous chapter. It is evident that the interest of buying extremely cheap clothes is falling and people prefer rather quality and uniqueness and they are also prepared to pay more for clothes. This research did not prove that this is due to realized fact that cheap clothes are produced unethically.

The most surprising result of this study has been the fact that cheap fashion is bought by broad range of people without differences in education, income or occupation. It has been expected that people with higher level of education are familiarize with questions connected with surveyed issue, people with higher income prefer quality and uniqueness of clothes therefore they do not shop in cheap fashion stores. Occupation is connected with income, it has been expected that cheap fashion is preferred by people with lower income, such as students, unemployed, women on maternity leave, etc.

It is very difficult to change public awareness from day to day. People could also maintain that they cannot do anything with it, that huge companies offering cheap clothes and having benefits from cheap labor in developing countries are the ones that can do some changes. But the point is that if people would stop buying their products, companies would be forced to change their approach. Another important acquisition in this case is much stricter inspections in factories of these companies and publication of true Codes of Conduct on their websites.

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## APPENDICES

### Appendix 1 – Questionnaire

Hello, hi,

my name is Eva Pokorna and I study European Business on University of Huddersfield. I would like to ask you to answer this questionnaire. It is part of my Dissertation and it would be very helpful for me. It takes no more than 10 minutes to complete.

Thank you very much in advance.

Eva

#### 1. Indicate how important are following statements for you in case of clothes purchase decision:

	unimportant	circumstantial	neither important or not important	important	very important
The price of the clothes.					
The place where the clothes are produced.					
The brand of the clothes.					
The store where the clothes is sold.					
Whether the clothes are fairly traded.					
Store background. (kind staff, ...)					
Quality of the goods.					
Uniqueness of the goods.					

#### 2. How much do you monthly spend on clothes? Thick right answer.

- ☐ less than £10
- ☐ 10 – 20
- ☐ 20 – 30
- ☐ 30 – 40
- ☐ 40 – 50
- ☐ more than £50

#### 3. Indicate how often you buy clothes in following stores:

	Never	very rarely	occasionally	sometimes	frequently
Primark					
Tesco					
Next					
Asda					

Sainsbury's					
T&K Max					

#### 4. Do you know .... ?

	Yes, I know.	I am not sure, but I have heard it somewhere.	No, I do not know.
where are produced clothes for mentioned stores?			
what is Code of Conduct?			
what is sweatshop?			
where to buy fair trade clothes?			
opening time of Primark?			
what is ILO?			
what is Labor behind Label?			
what is SA 8000?			

**5. Try to imagine this situation: You know, that provenance of cheap fashion is unethical. Workers do not get minimum wage, they are abused and working conditions are terrible. Would that change your purchase decision in mentioned stores?**

☐ Yes

☐ No

Comment: .....

#### 6. Please tick right fields according to you:

Sex: ☐ male  
☐ female

Age: ☐ 15 and less      ☐ 46 - 55  
☐ 16 – 25      ☐ 56 - 65  
☐ 26 – 35      ☐ 66 and more  
☐ 36 – 45

Occupation:

☐ student  
☐ student and part-time worker  
☐ full-time worker  
☐ unemployment  
☐ maternity leave  
☐ pensioner

Month income is in average:

☐ less than £200  
☐ £200-500  
☐ £500-1000  
☐ £1001-1500

☐ £1501 and more

Place of residence:

- ☐ big town (more than 700 000 inhabitants)
- ☐ middle town (between 400 000 and 700 000 inhabitants)
- ☐ middle town (between 100 000 and 400 000 inhabitants)
- ☐ small town (less than 100 000 inhabitants)
- ☐ village

Finished education:

- ☐ primary school
- ☐ high school
- ☐ college
- ☐ university
- ☐ other; specify \_\_\_\_\_

**Thank you for your cooperation in completing this questionnaire.**

**Appendix 2 – Chi-square good-on-fit test (according to Table 3.1): Preferences during  
Clothes purchase decision**

**Descriptive Statistics**

	N	Mean	Std. Deviation	Minimum	Maximum
The price of the clothes	103	3.55	1.109	1	5
The place where the clothes are produced	103	2.68	1.113	1	5
The brand of the clothes	103	3.04	1.028	1	5
The store where the clothes is sold	103	2.96	1.075	1	5
Whether the clothes are fairly traded	103	2.82	1.027	1	5
Store background	103	3.25	.997	1	5
Quality of the goods	103	3.85	.984	1	5
Uniqueness of the goods	103	3.57	1.072	1	5

**Chi-Square Test, Frequencies**

**The price of the clothes**

	Observed N	Expected N	Residual
unimportant	2	20.6	-18.6
circumstantial	21	20.6	.4
neither important of not important	21	20.6	.4
important	36	20.6	15.4
very important	23	20.6	2.4
Total	103		

**The place where the clothes are produced**

	Observed N	Expected N	Residual
unimportant	18	20.6	-2.6
circumstantial	26	20.6	5.4
neither important of not important	35	20.6	14.4
important	19	20.6	-1.6
very important	5	20.6	-15.6
Total	103		

**The brand of the clothes**

	Observed N	Expected N	Residual
unimportant	7	20.6	-13.6
circumstantial	24	20.6	3.4
neither important of not important	37	20.6	16.4
important	28	20.6	7.4
very important	7	20.6	-13.6
Total	103		

**The store where the clothes is sold**

	Observed N	Expected N	Residual
unimportant	12	20.6	-8.6
circumstantial	21	20.6	.4
neither important of not important	33	20.6	12.4
important	33	20.6	12.4
very important	4	20.6	-16.6
Total	103		

**Whether the clothes are fairly traded**

	Observed N	Expected N	Residual
unimportant	13	20.6	-7.6
circumstantial	23	20.6	2.4
neither important of not important	40	20.6	19.4
important	24	20.6	3.4
very important	3	20.6	-17.6
Total	103		

**Store background**

	Observed N	Expected N	Residual
unimportant	5	20.6	-15.6
circumstantial	17	20.6	-3.6
neither important of not important	37	20.6	16.4
important	35	20.6	14.4
very important	9	20.6	-11.6
Total	103		

**Quality of the goods**

	Observed N	Expected N	Residual
unimportant	2	20.6	-18.6
circumstantial	9	20.6	-11.6
neither important of not important	19	20.6	-1.6
important	45	20.6	24.4
very important	28	20.6	7.4
Total	103		

**Uniqueness of the goods**

	Observed N	Expected N	Residual
unimportant	5	20.6	-15.6
circumstantial	12	20.6	-8.6
neither important of not important	24	20.6	3.4
important	43	20.6	22.4
very important	19	20.6	-1.6
Total	103		



**Appendix 3 - Chi-square good-on-fit test (according to Table 3.2) – Popularity of selected stores**

**Descriptive Statistics**

	N	Mean	Std. Deviation	Minimum	Maximum
Primark	103	2.77	1.156	1	5
Tesco	103	2.44	1.016	1	5
Next	103	2.75	.967	1	5
Asda	103	2.71	1.035	1	5
Sainsbury's	103	2.52	1.037	1	5
T & K Max	103	2.73	1.156	1	5

**Chi-Square Test, Frequencies**

**Primark**

	Observed N	Expected N	Residual
never	12	20.6	-8.6
very rarely	37	20.6	16.4
occasionally	27	20.6	6.4
sometimes	17	20.6	-3.6
frequently	10	20.6	-10.6
Total	103		

**Tesco**

	Observed N	Expected N	Residual
never	20	20.6	-.6
very rarely	36	20.6	15.4
occasionally	31	20.6	10.4
sometimes	14	20.6	-6.6
frequently	2	20.6	-18.6
Total	103		

**Next**

	Observed N	Expected N	Residual
never	12	20.6	-8.6
very rarely	26	20.6	5.4
occasionally	43	20.6	22.4
sometimes	20	20.6	-.6
frequently	2	20.6	-18.6
Total	103		

**Asda**

	Observed N	Expected N	Residual
never	14	20.6	-6.6
very rarely	28	20.6	7.4
occasionally	39	20.6	18.4
sometimes	18	20.6	-2.6
frequently	4	20.6	-16.6
Total	103		

**Sainsbury's**

	Observed N	Expected N	Residual
never	20	20.6	-.6
very rarely	29	20.6	8.4
occasionally	36	20.6	15.4
sometimes	16	20.6	-4.6
frequently	2	20.6	-18.6
Total	103		

**T & K Max**

	Observed N	Expected N	Residual
never	18	20.6	-2.6
very rarely	25	20.6	4.4
occasionally	34	20.6	13.4
sometimes	19	20.6	-1.6
frequently	7	20.6	-13.6
Total	103		

**Appendix 4 - Chi-square good-on-fit test (according to Table 3.3) – The awareness  
of selected terms and organizations**

**Descriptive Statistics**

	N	Mean	Std. Deviation	Minimum	Maximum
What is Code of Conduct	103	2.04	.874	1	3
What is sweatshop	103	1.74	.896	1	3
What is ILO	103	2.08	.893	1	3
What is Labor behind Label	103	2.16	.860	1	3
What is SA 8000	103	2.16	.872	1	3

**Chi-Square Test, Frequencies**

**What is Code of Conduct**

	Observed N	Expected N	Residual
Yes, I know.	37	34.3	2.7
I am not sure but I have heard it somewhere.	25	34.3	-9.3
No, I do not know.	41	34.3	6.7
Total	103		

**What is sweatshop**

	Observed N	Expected N	Residual
Yes, I know.	58	34.3	23.7
I am not sure but I have heard it somewhere.	14	34.3	-20.3
No, I do not know.	31	34.3	-3.3
Total	103		

**What is ILO**

	Observed N	Expected N	Residual
Yes, I know.	37	34.3	2.7
I am not sure but I have heard it somewhere.	21	34.3	-13.3
No, I do not know.	45	34.3	10.7
Total	103		

**What is Labor behind Label**

	Observed N	Expected N	Residual
Yes, I know.	31	34.3	-3.3
I am not sure but I have heard it somewhere.	25	34.3	-9.3
No, I do not know.	47	34.3	12.7
Total	103		

**What is SA 8000**

	Observed N	Expected N	Residual
Yes, I know.	32	34.3	-2.3
I am not sure but I have heard it somewhere.	23	34.3	-11.3
No, I do not know.	48	34.3	13.7
Total	103		

## Appendix 5 – Rule of suppliers

<b>Trend</b>	<b>Link to labor standard</b>
Time and speed	Short lead times can lead directly to excessive working hours in an attempt to meet demand. The pressure to work quickly can also lead to unacceptable workplace cultures, although the quality and approach of local management probably have a strong influence on this aspect of worker welfare.
Flexibility and seasonality	This issue directly affects the supplier's ability to provide secure and regular employment. It also may influence levels of overtime and may force suppliers into using particularly vulnerable worker groups (e.g. migrants) to meet shortterm demands.
Cost and risk	The strongest linkage is in the area of wages: cost pressures force manufacturers to cut wages, perhaps below acceptable levels. Additionally, overtime may not be remunerated at premium rates. Less obviously, cost pressures may lead directly to cutting corners in health and safety, and the use of vulnerable worker groups (although both of these elements are strongly influenced by management competence and approach).

(Labor behind the Label, 2007)

