The emergence of ethical retailers in fashion and apparel industry

Trilha Acadêmica: Responsabilidade Social e Sustentabilidade

Abstract: This study aims to understand new practices and innovations in fashion and apparel retail firms, through a multi-case study, in order to observe whether "ethical retailers" are different from traditional and fast fashion retailers. First, we identify in the literature the key characteristics of traditional and fast fashion retail paradigm. Then, we present the firms composing the case study and summarize their key characteristics into groups of suggested themes defying the traditional and fast fashion paradigm. Last, we analyze the empirical evidence and the observations regarding the comparison between emerging ethical retailers and ruling paradigms on the industry to then propose an empirical definition of ethical fashion, which is the main contribution of our study.

Keywords: Fashion and Apparel Retail; Fast Fashion; Ethical Fashion.

1 INTRODUCTION

Over the past few years, companies have been increasingly questioned over the social and environmental impacts of not only their own strategies and operations but also of their suppliers' performance in these aspects (Seuring, Mueller, 2008). Though the external drivers have been more frequently addressed in studies concerning sustainable practices in supply chains (Walker et. al., 2008), there may be more to the implementation process than giving in to stakeholder pressure. The literature screens existing developments in this field and the most commonly addressed internal drivers are top management support (Carter & Jennings, 2002; Cambra-Fierro et al., 2008) and organizational values (Razzaque & Hwee, 2002; Baker et al., 2006). Still, attention is called for researchers to consider more than a responsive approach to implementing sustainable purchasing, but also look into the organizational resources and political processes influencing these practices (Hoejmose e Adrien-Kirby, 2012, p. 240).

From this starting point, the present study turns to the fashion and apparel retail industry for empirical data. Even though this industry has championed news over decades concerning scandals and cases of precarious labor and contemporary slavery conditions (Distelhorst, Hainmueller & Locke, 2014), there is a growing group of companies that has been conducting their business in a self-proclaimed ethical way, minding their impact over their supply chains (Ethical Fashion Forum, 2016).

Given this context, our aim in this paper is to explore and understand new practices and innovations in the fashion and apparel retail firms, as well as analyze them in comparison with practices in the traditional and in the fast-fashion retail. Through a multi-case study, the evidence is offered regarding the emergence of what we call "ethical retailers". At first, we present their main characteristics and we then compare to the characteristics of traditional retail and fast fashion retail paradigm, to identify what sets them apart from the rest of the industry. From these observations, we propose a definition of ethical fashion and apparel retailers.

2 THEORETICAL BACKGROUND

Fashion and apparel retail supply chains are mostly characterized by short life-cycles for products, low predictability and high volatility affecting the demand, ample variety of products, long and inflexible sourcing processes, complex supply chains and impulse buying among final consumer behavior (Christopher et. al., 2004; Şen, 2008). The pressure on clothing prices has been addressed as the main factor that has led large fashion retail companies to outsource parts or all of their production to smaller companies located overseas. This reduced their costs, but in exchange, they saw an increase in the complexity of their value chains and an increase in lead times due to distant geographical locations between suppliers and customer markets (Christopher et al., 2004).

This industry has been through changes over the past few years, in particular with the predominance of fast-fashion practices, in contrast with the traditional strategies that predated them. Whereas in traditional fashion, with firms competing over price and seeking cost reductions (especially labor costs), we saw an emergence of unethical practices, with fast fashion and pressure on lead times, precarious working conditions became an important advocacy issue for media and concerned stakeholders of the fashion and apparel industry (Barnes & Lea-Greenwood, 2006). While traditional retailers endured increasing pressure due to high inventory costs, fast fashion retailers transferred pressure on to its suppliers, not only by pushing for shorter lead times and quicker deliveries but also by delegating activities towards suppliers, such as "quality control, packaging, ticketing" and even "creative product development" (Barnes & Lea-Greenwood, 2006, p. 268). In fact, in order to meet the deadlines and deliver products as fast as possible to final consumers, some stages in the supply chain were eliminated, such as product development and quality control (Barnes & Lea-Greenwood, 2006). Table 1 presents our summary of the main characteristics discussed in the literature.

Table 1: Fashion and apparel retail paradigms.

Traditional	**Fast fashion**	**Source**
Supply-driven	Consumer-driven	Mahoney, 1994; Lee, 2002, Mattila et. al., 2002.
Longer lead times	Shorter lead times	Richardson, 1996; Christopher et al., 2004.
Large standardized production runs	Shorter production runs	Barns & Lea-Greenwood, 2006; Bruce & Daly, 2006.
Pressure on retailers (large inventories)	Increasing pressure on suppliers (shorter lead times)	Barnes & Lea-Greenwood, 2006.
Manufacturer power	Retailer power	Christopher et. al., 2004; Şen, 2008; Thomassey, 2010.
Outsourcing and increasing separation of activities	Elimination of stages in the supply chain	Richardson, 1996; Bruce, Daly & Torres, 2004; Barns & Lea-Greenwood, 2006; Caro & Martínez-de-Albéniz, 2015.
Price driven sourcing regions	Emergence of sourcing regions for different purposes	Barns & Lea-Greenwood, 2006; Bruce & Daly, 2006; Şen, 2008; Caro & Martínez-de-Albéniz, 2015.
Emergence of unethical practices	Unethical practices	Perry & Towers, 2013.

Source: Authors

Alongside the changes in the fashion and apparel retail industry paradigms', a new approach to business routines has emerged over the past years, in which firms adopting socially responsible practices have been presenting themselves as "ethical firms". According to Whysall (2008), there is no straightforward answer to what consists an ethical retailer. In a parallel analysis, Carrol (1983: 604) proposes: "In my view, CSR involves the conduct of a business so that it is economically profitable, law-abiding, ethical and socially supportive". Based on the literature, we understand that a socially responsible firm is one that meets its "core economic responsibility", as well as complies with existing labor laws, but goes voluntarily the extra mile, beyond legal minimums, to build a lasting relationship with suppliers (Calabretta et. al., 2011: 1433; Rabolt & Solomon, 2004). In fact, stakeholder engagement is commonly observed as regarding "employees and their families", as well as "local communities" (Calabretta et. al., 2011:1432).

This is a desirable goal for both the focal company and the suppliers, because by adding ethical concerns in all firm's activities, and considering the impacts its actions have on stakeholders, the firm can better meet stakeholder's expectations (Calabretta et. al., 2011) and also gain strategic results, being it in reputation, marketing or innovation (Maignan et al., 2002). Merging this definition with the one presented previously, we propose a definition: an ethical retailer is a profitable firm that complies with the law and goes beyond legal minimums, in order to build a lasting relationship with its suppliers.

According to Hoejmose & Adrien-Kirby (2012), adopting codes of conduct is the most common way of implementing CSR practices in purchasing in the supply chain. Usually, the goal of these codes, in the context of fashion and apparel retailers, is "to enable garment workers to work under decent conditions, exercise basic human rights, and earn living wages" (Pollin, Burns & Heintz, 2004, p. 145). We will observe if these are the main procedures adopted by the firms in the case study. Furthermore, we propose that these ethical firms have divergent characteristics when compared to the two ruling paradigms depicted in Table 1.

3 METHOD

To accomplish the research's aim, we conducted a qualitative exploratory multi-case study, following Yin's (2010) recommendation for theory building in stages of assessing questions, propositions and feasibility of research alternatives in the context of the contemporary phenomenon in real-life contexts. In order to study the differences between here called ethical retailers and traditional and fast fashion retailers, we built on literature contributions on the latter, and selected a group of firms that are self-proclaimed ethical in their actions, representing the ethical retailers. Ethical retail firms were firstly chosen by convenience and easy access to respondents, both physical and online, and secondly chosen because of search websites and social media searches regarding the topic "ethical fashion". Evidence was collected from a group of 15 firms and, as shown below in Table 2, it consists of a very diverse group.

Based on the empirical evidence, fashion and apparel retail firms in this group were divided by three types of organizational arrangements: a) manufacturing firms, which own the brand, produce parts or all of the production stages and sell their own clothes, but can also sell them through independent firms, b) brand firms, which own the brand but outsource the manufacturing steps, c) independent firms, which don't have an own brand and only sell products from other firms. This information was underlined in the second column, in Table 2. We have also referred to independent firms as stockists, a name that we encountered during our data collection but are also physical shops of independent retail firms that sell brand firms' fashion and apparel products. All three types of firms may be physical, online or both, which is also indicated in the second column. Except for the Parisian own brand "My Philosophy" and the Londoner independent stockist "69b", all firms have a website with an option for consumers to buy online their products, even if they are brand firms that sell their products in stockists. There are large and small firms in the group, pioneers with more than 25 years of operations and recent firms with a little over 2 years.

In order to improve construct validity, we opted for a triangulated approach to sourcing evidence (Patton, 2002), with different data collection techniques used for each company, as shown in the last column of Table 2. Firms with physical shops (firms 1, 2, 6, 7, 8, 9 and 10) were visited by the author between February 11th 2016 and March 9th 2016 in London, Paris and Bordeaux. After the visits with semi-structured interviews, and direct observation, the author further contacted these 7 firms and a dozen more firms operating online shops and 3 more responded to an online interview (firms 3, 4 and 5). This comprises the first 10 firms displayed below in Table 2. To gather specific social media content provided in the Instagram platform, an individual account was created to monitor information of over 70 fashion and apparel firms, from which the last 5 firms were chosen. The criteria were: participation in social media (which meant access to fresh new evidence) and relevance to the observed phenomenon. From this group, firms with online shops and social media content were systematically visited between February 2016 and January 2017. Since a large amount of information was gathered through social media and websites, considerable evidence were collected for additional insights, which justified the choice of these 5 last firms (firms 11, 12 ,13 ,14 and 15).

Table 2: Case study firms and collection techniques applied.

	Retail Firm	Type of Retail Operation	Data Collection Technique
1	EKYOG	Brand firm*, 30 physical own brand shops in France, own brand online shop	Direct Observation, physical and online interview, website and social media
2	Here Today Here Tomorrow	Brand and manufacturing firm*, 1 physical own brand shop in the UK, own brand online shop, 9 stockists in the UK, Germany and Switzerland	Direct Observation, physical and online interview, website and social media
3	Catching a Fish in Norway	The brand firm, own brand online shop, stockists worldwide	Online interview, website and social media
4	Silverstick	Brand firm*, own brand online shop, independent online shops	Online interview, website and social media
5	Woron	The brand firm, own brand online shop, independent online shops	Online interview, website and social media
6	My Philosophy	Brand and manufacturing firm*, one physical own brand shop in France, one stockist in Japan	Direct Observation, physical interview, website and social media
7	69b	Independent firm, physical stockist	Direct Observation, website and social media
8	The Keep Boutique	Independent firm, online and physical stockist in the UK	Direct Observation, website and social media
9	The Third Estate	Independent firm, online and physical stockist in the UK	Direct Observation, physical interview, website and social media
10	Un été en automne	Brand firm*, 1 physical own brand shop in France, own brand online shop	Direct Observation, physical interview, website and social media
11	Everlane	The brand firm, own brand online shop	Website and social media
12	Gather&See	Independent firm, online stockist	Website and social media
13	Matt&Nat	The brand firm, own brand online shop, online and physical stockists in Canada, United States, UK, Japan, Germany and Australia	Website and social media
14	People Tree	The brand firm, own brand online shop, stockists in UK, Europe and the United States	Website and social media
15	Serengetee	The brand firm, own brand online shop	Website and social media

Source: Authors

*These firms sell a majority of own brand products and a minority of other firm's products (usually accessories).

The analytical strategy chosen was the rival explanation analysis (Yin, 2010), as a way to approach new trends in changing times in comparison to traditional and predominant practices in the industry. In order to tackle the most recent nuances of the ethical retail trend, a novel technique for data collection was used. With the rise of social media platforms over the last years, content sharing has been constantly evolving and gaining new facets, as technology enhances and customs change. That is the case of Instagram, a mobile application and an online community with more than 500 million users who connect with each other and share content through images and videos (Instagram, 2016).

In 2016 Instagram users had two main ways to share public content: 2) users could use images and videos taken previously or simultaneously as they posted it to their accounts, which would stay in their profiles until the user decided to delete them, b) users could share images and videos of current events through a feature called "Instagram Stories", which would be available in the user's profile for 24 hours and later deleted automatically. This feature was first seen on another mobile application, Snapchat, and introduced a new behavior among users. This ephemeral feature allowed users to show what was happening with them at the particular time they were using the mobile application, and since the content would be soon deleted, some users shared more content than they would normally share if it was to be permanently available on their Instagram account profiles.

Bayer et. al. (2016) present surveys and in-depth results of users comparing this simultaneous sharing feature of Snapchat to "face-to-face interaction", and these users reported a tendency to follow more simultaneous content then archived content. According to Anderson (2015, p. 7), "these stories provide a raw, unedited first-person experience" which is an interesting online feature for special events such as trips and parties, but also provides a "reality TV" like experience, in which you are the editor of your "a day in the life" program. Because of this feature, Instagram Stories, along with regular Instagram images and videos, provided a unique source of evidence for direct observation. For researchers, this is an important feature since it allows direct observation without risks of influencing the subjects of study. As an example, through this feature, the author-researcher could witness a Serengetee (firm 15) representative communicating with their customers during weekly sessions of questions & answers without being physically present. Other brands documented their visits to new and recurrent suppliers through this feature, providing an ambient for customers to meet the maker of their products. The group we gathered in this paper is 60% made of British firms and this reflects globally the importance of the United Kingdom in the emergence of ethical retailers.

4 EMPIRICAL RESULTS

4.1 Origins of ethical retailers

This group of firms is very diverse, concerning the type and size of operation and also the assortment of products being offered. Interestingly, some of these firms were founded by inexperienced people in fashion and apparel industry, which were somehow drawn to the ethical way of operating a retail firm. Except for People Tree and Matt & Nat, the pioneers in this group, 13 firms were founded after the year 2000, with 8 founded after 2010.

EKYOG was founded in 2004 by the French couple Nathalie and Luis-Marie Vautier. She was working with an outdoor brand and he was in telecommunications, but they were motivated to become entrepreneurs and find new industrial processes to offer ethical products, a gap they noticed at fashion markets at that time. *Here today Here Tomorrow* was founded in London by a group of three designers in 2011, and according to their website, they are "dedicated to beautiful handmade design paired with ethical and ecologically conscious fashion". Anna-Maria Hesse is a fashion designer and a teacher in two universities in London, Bucks New University and University of West London. Julia Crew is a designer and a course leader of BA Fashion Accessory Design at Ravensbourne College, also in London. Katelyn Toth-Fejel is an artist, designer, a lecturer and PhD student of the Centre for Sustainable Fashion at the University of the Arts London.

Catching A Fish In Norway was founded in 2014 in the United Kingdom by a then law student and artist Paul Donati. Their motivation was to be an innovative artist collective and change the fashion and apparel industry, towards valuing in the same measure people, the environment, creativity and profit, according to their website. *Silverstick* was founded in 2010 in the United Kingdom by Harry Ludlow Green and Sam Varney. They had accumulated experiences from backpacking trips around the world and wanted to mix sustainability with a

design for outdoor activities. *Woron* was founded in 2015 by the sisters Anya and Arina Woron in Copenhagen, both with backgrounds in the fashion and beauty industry. They were motivated to contribute with their own ideas to the fashion world, and they believed that their share was to develop a lingerie brand that was comfortable, but also vegan, cruelty-free and sustainable.

My Philosophy was founded in Paris in 2007 by designer Kroeusna Khaou and her business partner Frédéric Hascoët. The designer, who was originally from Cambodia, after travelling there, was shocked by the extreme poverty of her country of origin. Since then she developed a brand of ethical and artisanal fashion and apparel, honoring Cambodian know-how in clothing. *69b* opened in London in 2011, founded by British stylist Merryn Leslie, who had an ample and diverse background, from working in fashion magazines to a stylist for famous fashion designers and musicians. Her store started as a place to showcase her own small collection, but she soon switched ways and decided to retail independently for ethical brands she selected carefully. She was motivated to work with sustainable and ethical fashion after taking a course at the Center of Sustainable Fashion of the London Fashion School.

The Keep Boutique was founded in 2012 by British Kate Richards, former secondary school teacher and management consultant. Although she had no experience in the industry, she was moved by the frustration towards the quality of the clothes in her wardrobe and motivated by an exhibition promoted by the Ethical Fashion Forum (explained on the next section). According to the website, the vision of The Keep Boutique is to be a "one-stop shop offering a curated selection of the most stylish, yet affordable, ethical fashion".

The Third Estate is the result of collaboration between the friends James and Angela, from Leeds, United Kingdom. He used to run a punk rock record shop, already selling vegan footwear, and Angela had a small ethical trade label, but in 2008 they joined forces, adopting the name The Third Estate, and in 2012 they relocated to London. According to their website, their aim is "to sell well-made good-looking products which are free from any animal ingredients and which meet high social, labor and environmental standards".

Un été en automne was founded in 2009 by Marie Schlumberger, a student of highly appraised Chardon-Savard's atelier, with a focus on ethical "prêt-à-porter" (ready to wear) women's clothing. At that time, she joined a national business incubator, which helped her launch her brand. In 2012 she began selling her own clothing line on a physical store, and now produces two collections of clothes per year and a full range of handbags. *Everlane* was founded in 2010, by American 25-year-old Michael Preysman, who then worked in venture capital, even though he had no experience in fashion. According to their website, his initial motivation was a "frustration with the lack of motivation in the retail space" and since the beginning Everlane is committed to transparency, opening up about the costs of producing the products, their markups, the production timeline, and documenting visits to their factories.

Gather&See was founded in 2014 by the British friends Alicia Taylor and Stephanie Hogg who were in search of "beautiful, stylish ethical fashion brands that protect people and planet and don't compromise on style", according to their website. They described themselves as fashion lovers who, after a long life-consuming clothing product, started to question production processes and became more conscious consumers. Thus, they built a platform for other ethical consumers to find their fashion and apparel products, which were selected for retail based on five aspects of ethical practices.

Matt & Nat was founded in 1995 by Inder Bedi, who is originally from India but was at the time living and studying in Montreal. While he was trying to become a vegan at that time, he realized how this decision had led to a limited lifestyle. From that point, he saw an opportunity and founded Matt & Nat based on vegan principles of respect to life. *People Tree* was founded by British Safia Minney, who was initially living in Japan and actually had experience in marketing and publishing before she adventured into fair trade collections. She started in 1989 producing informational pamphlets about environmental awareness for

conscious consumers, which later became an NGO and by 1995 a firm called Fair Trade Company, with a shop in a fashion district in Tokyo. Their first fashion collection was in 1997.

Serengetee was founded in 2012 by Jeff Steitz and Ryan Westberg, two college students in the United States after they have gathered international experiences and encountered different cultures and realities. With no experience in the fashion and apparel industry, they started manufacturing by themselves the first products before they created an appropriate infrastructure. Their motivations, according to their website, were to support artisans and causes worldwide, as seen in the following excerpt: "we wanted to find a way to use these fabrics to make a positive change in the world; we wanted to become the first brand centred around fabric".

4.2 Socially responsible sourcing

Firms in this group have varied standards for sourcing, but a common practice is the use of international, national or sectorial certifications. A Woron representative highlights the importance of using certification in building a relationship with its suppliers: "because we have such a great focus on sustainability we only partner up with suppliers that share the same values; such as being Oeko-Tex certified and member of the European Network Association, we check the wages, working standards and of course the general approach to a sustainable production throughout the supply chain regarding what materials are being used, how to deal with wastage etc.".

According to Matt & Nat's website, they use the SA8000 standard certification as a criterion for quality in the relationship with suppliers' factories. A Catching a Fish in Norway representative affirms they use as a minimum the certification from Fair Wear Foundation, along with other certifications such as Made in England, Fair Trade and Organic. People Tree's commitment to their ethical values is shown by the importance they give to fair trade certification. On their website, they defend their position: "we follow the principles of Fair Trade in every aspect of our business. All of our products are made by artisans and producers who work to Fair Trade standards. People Tree has been a pilot case for certification for Fair Trade Manufacture under the World Fair Trade Organization and we were the world's first clothing company to receive the World Fair Trade Organization Fair Trade product mark in 2013".

The Ethical Fashion Forum (2016) is an industry lead not-for-profit organization that aims at providing solutions to fashion and apparel firms regarding ethical issues they face. According to them, there are 42 key ethical certifications and memberships, out of which 23 are related to the environment (like the JOCA – Japan Organic Cotton Association), 11 are related to labor or social concerns (like WRAP – Worldwide Responsible Accredited Production) and 8 relate to both sides of sustainability (like Naturtextile). These accreditations are an example of private *ex-ante* enforcement in place in fashion and apparel retail.

4.3 Alternatives to certification in sourcing

A Woron representative contributed with an interesting empirical discovery: "At first we were quite focused on certifications etc. but we soon found out, that a lot of the smaller production facilities work by higher standards than what is required from the general certifications, but they are just not able to pay the cost of getting the certification in writing". In complement, a representative from Here Today Here Tomorrow also contributed in this way, as seen in the following excerpt: "our suppliers must either have accredited fair trade or living wage working conditions or in the case of very small organizations where this would be impractical, they must have regular direct contact with the producers or manufacturers themselves and feel confident that similar conditions to fair trade are being met".

Un été en automne affirms on their website that they look for respect for fair trade norms in the workshops they work with, which means that “employees benefit from decent working conditions, with fair compensation”. An EKYOG representative said that the firm has thorough supplier selection criteria, and on the first time the firm establishes a relationship with a supplier, he “must complete a document and sign an ethical charter”. As another alternative to certification only, some of the firms in this group have exposed either their founders or their employees to different levels of training, in order to enable them to identify and prevent unethical labor conditions in its supply chain.

4.4 Relationship building with suppliers

According to Serengetee, they source fabric from over 25 countries but hold a factory in Los Angeles, in the United States, where all fashion and apparel products are handmade, and they can ensure good employment conditions. Matt & Nat declare on their website that their bags are produced in chines factories they've built “long-standing relationships with” and argue that they monitor closely the operations of their suppliers’ factories, by “visiting diligently each factory and building strong personal relationships with their owners”.

My Philosophy's statements demonstrate responsibility throughout their subcontracting factory workers, offering to their workers in Cambodia labor conditions that are hardly found even in developed countries. On My Philosophy's website, they affirm the following: “we pay our employees significantly above local market prices. Overtime is paid or recovered. Productivity bonuses are paid to reward periods of high activity. Workers have 5 weeks of annual leave. A roof is offered to employees who wish”. They also offer help to cover medical expenses in case of accidents of illnesses.

Other than the firms above mentioned, Silverstick, Woron, EKYOG, Here Today Here Tomorrow, Everlane and People Tree affirm they all visit their suppliers periodically. Most of the firms in this group also rely on third-party certifications to ensure good working conditions apply to their suppliers. This is demonstrated in the following excerpt from a representative from catching a Fish in Norway: “our suppliers release annual social and environmental reports, accredited by the organizations who accredit us, e.g. International Labor Organization”.

4.5 Longer lead times, shorter production runs and the addition of stages

We identified in all firms in this group a growing trend of longer lead times and also short and more personalized production runs. Some implicitly, by announcing fewer times new collections and replenishment of basic collections throughout the year, in comparison with what has been presented about fast fashion in Table 1, and other explicitly, as follows. People Tree highlights on their website the great amount of effort and labor that goes into a handmade apparel product. Their design-to-sales process is closer to the traditional than the fast fashion, taking more than a year before their products are made available to customers, a period with more than four months of difference to contemporary fast fashion retailers. They argue that this additional time gives producers better chances for meeting their production goals and offering fair wages for their “highly skilled labor”.

Everlane, however, affirms on their website that they work with the same factories that produce clothes for known design labels, but they go further, visiting them often and building a lasting relationship, as mentioned previously in section 4.3. And they passed the time pressure from their suppliers to their design team, which “works in rapid iteration, quickly executing from idea to final sample, launching to market in less than six months”.

Firms have reinstated stages that weren't a part of the fast fashion paradigm anymore, as shown in the following excerpt from a Silverstick representative: “our factories are audited for health, safety and ethical standards. We audit the smaller factories ourselves through questionnaires and site visits. The bigger ones are independently audited by licensed

organizations. If any problems arise during the audit we put a plan together to solve the issues". Other than visiting factories, either for monitoring, auditing or strengthening the relationship, firms are also readdressing the stage for quality management. According to Matt & Nat's website, they say that "each season, several quality control tests are performed on all new styles".

4.6 Socially responsible curatorship

The five independent retailers in this group have each an individual style, with very different ways of displaying their products, as well as with different assortment strategies, indicating that "ethical retailers" are not a homogenous segment of fashion and apparel retail. A physical Londoner independent store, 69b is a small two stories shop, both with decoration and products arranged in a clean and minimalist manner, with different brands mixed together. There are no signs or visual communication outside the store, just clean windows and white decoration. But when asked about the products, the saleswoman responds about the ethical values of the firm and ethical characteristics of the products being sold. Most of the products display on themselves big labels explaining the ethical characteristics of the production process (ex.: no sweatshop, vegan, recycled materials, etc.).

As an example, Figure 2 side A shows a shirt from the brand People Tree, for sale inside the store 69b. The product has three informational labels from the brand and one from the store. On the largest label, a piece of storytelling connects the brand with its consumers, a modern marketing technique very common amongst ethical fashion and apparel products, according to our empirical observations. A part of the text contained in the big label is shown in the following excerpt:

> This garment is handmade in a beautiful village in Bangladesh by Swallows. Traditional skills including hand weaving and hand embroidery craft skills are used to make this unique product. Swallows works closely with People Tree who provide design, technical and financial support to this amazing project supporting 200 women. Profits also support the running costs of a school for 300 children and a day-care centre for 60 babies and toddlers. (People Tree label).

Another physical Londoner independent store, The Third Estate, moves in the opposite direction, regarding the store theme altogether. Nothing is clean looking or minimalist in this decoration. With many vases decorating the window displays and the interior of the much larger store, and a profusion of objects ranging from panels to recycled furniture, the store is decorated in a more alternative manner, which includes an artificial grass carpet. They also make use of recycled or reclaimed materials, with pallets all over their walls from which alternative shelves display vegan footwear for sale.

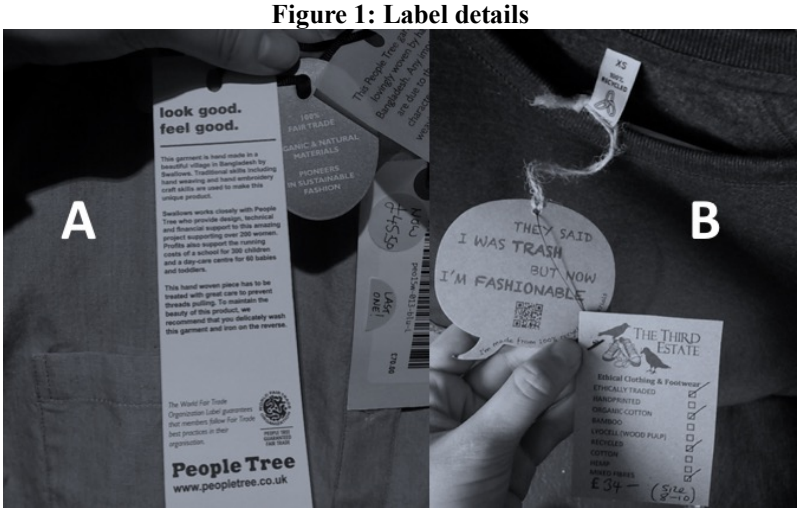
With a much larger assortment and piles of stocked footwear products, the store owner said they have a restricted space in the back of the store where artisans can manufacture products that can be showcased in their store. In specific parts of the store, featured artisans' products are carefully curated and displayed, with signs detailing facts about the artisans or the products. They also sell products through their online shop.

Many of the decorating objects in display communicate the ethical values of the firm. Most of the firms have big explaining labels, as seen below in Figure 1 side A, but for those brands that don't leave it clear in their own labels; the independent store makes an individual label, explaining the ethical characteristics of the fashion and apparel product in a simple way. This is shown in Figure 1 side B below.

The Keep Boutique is a somehow intermediate store, regarding interior decoration and display of products, when compared to the two above. Located inside Brixton Village Market, the store communicates upfront its ethical values, with the following words written on the window glasses: Organic, ethical, sustainable and "who made your clothes", in reference to the

global consumer movement asking for more transparency in fashion and apparel industry. A large assortment of products is displayed in racks made of recovered wood, with small niches with artisans' products in special display. On their website, they affirm to be a store with "a curated selection of ethical fashion", focusing on integrity of the brands and durability of the products when choosing with brands to carry.

Figure 1: Label details



Source: Authors

The only online independent firm studied in this group, Gather&See chooses the brands that have at least three out of five values – fair trade, organic, eco-friendly, small-scale production and heritage – which the consumer can use as filters to select which product to buy. So, this is a way they communicate their ethical values towards their costumes, while curating their products. Their selection, according to their website, consists in "carefully curated collections from the very best in sustainable fashion talent from around the world".

Own brand stores also have curated products in their stores, with similar practices from independent brand firms. Inside My Philosophy store, they have a reserved area where they showcase products from fellow artisans. The same was seen in Un été en automne's store and Here Today Here Tomorrow as well, with all firms showcasing products from artisans and even small manufacturers other than their own brand products. A representative from the latter explains these practices of curatorship in this excerpt: "We are proud to showcase carefully selected brands in our shop, each of them chosen for their pioneering approaches to sustainable clothing, accessory and jewellery design". EKYOG has a program called "Le Lab", through which they choose a few fellow brands, friends, artisans and personalities to showcase their products and promote the makers, both on their online and physical shops.

All four brands above also make use of "big labels", explaining either which certifications the manufacturing process observed, which ethical characteristics that product has, or also using a storytelling marketing technique. EKYOG stores (30 physical shops) and Un été en automne display in a corner of the store, usually near the fitting rooms, a collage with pictures, news and quotes relating to the brand's ethical characteristics.

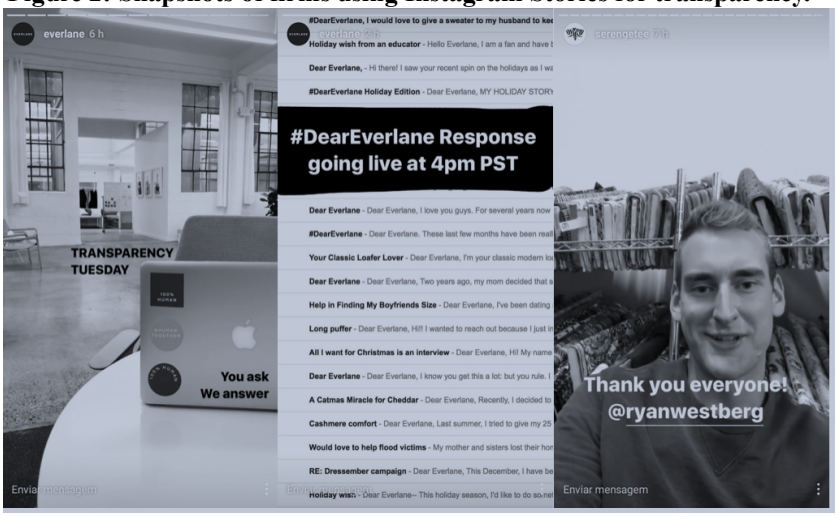
4.7 Communication and stakeholder engagement

Most of the firms in this group that have an active social media account use the platform for means other than just promoting new products or advertising new sales. Some firms use their Instagram accounts to enhance their transparency towards their loyal consumers, followers and stakeholders in general. As explained earlier in section 3, Instagram Stories is a feature that

allows users to upload videos or pictures which will be available for 24 hours and then automatically deleted.

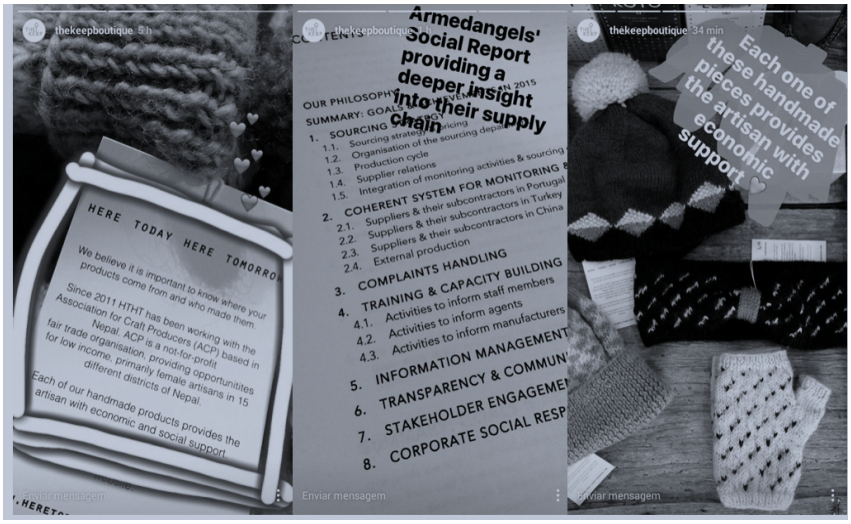
Serengetee and Everlane both use this feature with frequency, hosting at least once a month a “transparency Tuesday” or a “Tuesday Q&A” when they answer through Instagram Stories videos questions made by their followers regarding the firm's factories, operations, new collections, the inspiration for products, and so on. Figure 2 below shows in the first two frames snapshots of Everlane's transparency Tuesday and the last frame has a snapshot of Ryan Westberg, co-founder of Serengetee, answering questions from the firm's warehouse, for the periodical Q&A with followers.

Figure 2: Snapshots of firms using Instagram Stories for transparency.



Source: Authors

Figure 3: Snapshots of firms using Instagram Stories for engagement.



Source:Authors

The Keep Boutique uses their Instagram account for promotion and advertising, but as well as communicating and engaging their customers with ethical characteristics of their brands. Figure 3 above shows three snapshots of their Instagram Stories. On the first one, they promoted the brand firm Here Today Here Tomorrow, highlighting the ethical characteristics on the label. On the second one, they share the fact that a representative from The Keep Boutique is reading the social report of a brand they carry (Armed Angels) and evaluating their practices towards their supply chain (an interesting observation for an independent stockist). On the third

snapshot, they are emphasizing the positive social impacts for consumers of buying a particular handmade product they sell.

4.8 Community building

According to Here Today Here Tomorrow representatives, ethical sourcing is closely related to having a positive impact on the community they're acting. In an interview, they described it as sourcing practices "that provides a living wage and supports looks to create supportive, democratic and working conditions for workers. For example, [they] are very proud to work with artisans from the Association for Craft Producers (ACP) in Kathmandu. ACP is a not-for-profit fair-trade organization certified by the World Fair Trade Organization (WFTO). They provide opportunities for low income, primarily female artisans in 15 different districts of Nepal. Each product in [Here Today Here Tomorrow's] collections is handmade and provides the artisan who made it with economic and social support."

According to My Philosophy's website, they are committed to developing their communities by impacting their workers, as shown in the following excerpt: "at the end of a year of training, the workers of the workshop master all the production of models, from patronage to overcasting; they offer suggestions for the technical realization of the confections and adapt their know-how according to the materials used". People Tree demonstrates the big impact they can have on suppliers and communities in the following excerpt: "at People Tree, we see it as our mission to work closely with people in developing countries to build viable businesses that can sustain communities".

For improving the communities of their workers, and promoting a more thoughtful consumption, Everlane established that every year the profits resulted from Black Friday sales would go into an issue concerning one of the factories they work with. In 2014 they raised over $100.000 to build a basketball court and outdoor recreation area for their workers in a silk factory in Hangzhou, China. In 2015 the chosen factory was their t-shirt factory in Los Angeles, US. According to their Instagram account, they raised $110.650 for what they called a "new wellness program, offering free groceries, on-site health and vision care, and English classes for the factory employees" working there. In 2016 the chosen factory was the speciality knits factory in Ho Chi Min, Vietnam, and with the profits, they bought high-quality helmets (scratch-resistant, anti-UC barrier, durable ABS-shell and so on) for all their 8,000 workers since it is a Vietnamese custom to go to work by motorcycle.

4.9 Additional related concepts

According to EKYOG representatives, ethical sourcing is a combined concept that involves ethical fabric alternatives, regarding their origin and composition, a concern for improving social conditions and a well-developed environmental policy. According to Un été en automne's website, they work with noble materials and respect fair trade in all their collections, and their "clothes are made of cotton from organic farming, wool carbon-free and [their] accessories are vegetable tanning leather".

According to Here Today Here Tomorrow representatives, caring for the environment is crucial for their operations, and they believe that "ethical sourcing also means choosing materials with as little negative environmental impact as possible and supporting those suppliers looking to develop environmentally friendly practices, such as waste treatment, low impact dyes, organic or low chemical fibers and animal products which use farming practices that are as ecologically sound as possible".

Most firms in this group correlate ethics in general, and socially responsible work conditions in particular with other ethical concepts, such as caring for the environment, being sustainable, fair trade, vegan, organic, and so on. Matt & Nat firm has chosen this name in reference to materials and nature, the basic values they carry, as well as with zero cruelty along

their production. Furthermore, as shown in the previous section 4.4.8, firms also value activities that help and empower NGOs and communities where their stakeholders are. According to Serengetee's website, “by giving back 10% of our profits to a diverse range of grassroots causes, [they] work to improve lives in their communities.”

5 DISCUSSION

The empirical evidence here presented show that there is more to the implementation of socially responsible practices than codes of conduct. In fact, none of the firms in this group mentioned using formal codes of conduct or the importance of it, which are the socially responsible practices most researched in this growing area of study. We have shown that these here called ethical firms have other ways of introducing their ethical values into the routines of their businesses and their suppliers. Most of them make use of third parties certifications and memberships, to which they also submit themselves.

And there's a general trend towards individual and long-lasting supplier development, with firms making efforts to monitor or even audit suppliers' working conditions by themselves. This can be explained by the size of the operation of this group of firms, of which Everlane and Matt & Nat are amongst the largest international fashion and apparel retailer, and EKYOG is the largest one operating nationally. But even in the case of these three, we have seen efforts to implement good working conditions by themselves. The former has voluntarily developed ways of meeting factories’ needs, as presented by themselves, by redirecting their profits periodically. The second one has the SA8000 standard for work conditions implemented in only one of their factories but declared on their website the intention to implement it in all other factories they work with. The latter has asserted that they terminated businesses with a supplier that didn't comply with their labor standards, but that was only needed once.

Some of the smaller scale firms also engage in deeper ways of developing their suppliers and their communities, either by offering learning experiences, mentoring or even by offering financial and technical help. Notwithstanding these contributions, another firm operating in big scale not only introduced socially responsible practices but also demonstrated efforts to go in every opposite direction in comparison to firms in the fast fashion paradigm. As a matter of fact, People Tree can be considered the “patient zero” of fair trade manufacture in fashion and apparel retail, having worked closely with the World Fair Trade Organization in the making of their certification. This firm serves as an example of the shift in paradigm that an ethical retailer can be, on an extreme side of a continuous spectrum of socially responsible practices, perhaps even configuring an emerging paradigm in fashion and apparel retail. We have summarized the empirical observations that substantiate this idea in Table 3 below.

Table 3: Comparison between literature and case study findings

Traditional	**Fast fashion**	**Ethical**
Supply driven	Consumer driven	Value driven
Longer lead times	Shorter lead times	Intermediate to longer lead times.
Large standardized production runs	Shorter production runs	Short and more personalized production runs
Pressure on retailers (large inventories)	Increasing pressure on suppliers (shorter lead times)	Reduction of pressure and conflicts in the supply chain
Manufacturer power	Retailer power	Supply chain power
Outsourcing and increasing separation of activities	Elimination of stages in the supply chain	Addition of stages (monitoring, auditing, quality control)

Price driven sourcing regions	Emergence of sourcing regions for different purposes	One by one relationship building with suppliers
Emergence of unethical practices	Unethical practices	Ethically driven
LITERATURE		**EMPIRICAL**

Source: Authors

Table 3 consists of a suggestion of themes that have been first presented together as evidence of what constitutes an ethical retailer in this multi-case study. However, it does not have a conclusive purpose, and each element of the third column of this table still needs to be further explored into different hypotheses and tested under different methodological approaches.

The most distinguishing factor between traditional and fast fashion retailers and our group of ethical retailers is that the latter takes these decisions considering additional or even different parameters. Their decisions regarding which factory to close a deal encompass the factory's compliance with labor regulations. They value whether the workers have living wages or enough time to finish the orders. They worry whether their workers are getting to work and home safe. They focus on working with the right type of raw materials and promoting healthy and safe environments in their factories. They offer training and invest in capacity building for their suppliers. They showcase products of artisans in special places in their store and tell customers the artisans' stories. All of these parameters influence the price level they are willing to deliver to customers, the deadlines agreed with suppliers, which materials they are going to the source, all of which determine the firm's production function at a different category in comparison with traditional and fast fashion firms.

The distinguishing point in comparison with traditional and fast fashion firms is that the ethical retailers in our group work actively towards the strengthening of their supply chains. This proposition is a result of a logical deduction, once ethical suppliers have to differentiate from unethical ones, either through certification, compliance to codes of conduct, or simply gradual implementation of values enforced and supported by a focal firm.

We have presented empirical evidence of focal firms with ethical characteristics actively participating in the communities where their factories are, and also improving working conditions. Nevertheless, to analyze this observation, two factors must be taken into consideration: the level of scrutiny has risen over traditional and fast fashion retailers, and the level of operation from these firms is usually much higher than from ethical retailers. Thus, when working with this observation, researchers could make use of comparison techniques that consider stakeholder engagement relative to the level of operation, revenue, international presence and such parameters.

6 FINAL REMARKS

We have gathered evidence regarding the origins of these firms, and decisions they have taken throughout the course of their growth, and we have identified intrinsic characteristics related to their ethical practices. Some of these firms have emerged in a context with no previous public or private regulation and participated actively towards the creation of public regulations and enforcement characteristics. Other firms were created even in situations when incentives were negative towards ethical practices. Thus, these real differences may result not only from effective enforcement of socially responsible public regulations, or because firms implemented private written requirements, but also because firms changed internally their incentives to comply by valuing socially responsible practices in a different (or inexistent) manner than other firms.

We have initially proposed a definition for the term “ethical retailer” that has been based on literature contributions. However, based on empirical evidence, we have seen that the firm may be a for-profit or not-for-profit, traditional business or social business. This way, we removed the term “profitable”, and propose this definition: an ethical retailer is a firm that complies with the law and goes beyond legal minimums, in order to build a lasting relationship with its suppliers.

An important distinguishing trait in this group is that all 15 firms were born from individuals somehow unsatisfied with current traditional and fast fashion paradigm. This motivation prompted even the most inexperienced people from different sectors to become entrepreneurs in ethical fashion. So, from these empirical evidence, we propose a third and disruptive way through which firms can introduce socially responsible practices, other than by private and public means of enforcement. In this particular way, fashion and apparel retail firms stem away from fast fashion paradigm core elements that induce precarious labor on the supply chain and turn to altogether innovative ways of doing business.

Notwithstanding this contribution, as mentioned previously, from this group of firms we didn't collect any evidence regarding the impact of specific public regulations and enforcement on a firm's process to have socially responsible labor conditions, or to become an ethical retailer. Many studies can be suggested to complement our analysis, such as comparative studies, between firms considered ethical and not, and longitudinal studies, analyzing the historical evolution of the so-called ethical retailer. An important consideration made by Mahoney (1994), is that there can be no ethical retailing without the development of ethical consumerism as well. Therefore, another suggestion for advancing studies regarding the considerations raised by this paper is juxtaposing retailers' ethical concerns and performances with its consumers appraisal, seeking to observe consumer's perception on retailers’ ethical characteristics as well as willingness to pay.

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