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## Proactive versus reactive apparel brands in sustainability: Influences on brand loyalty

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## ABSTRACT

Building on the literature in brand loyalty and sustainable consumption of apparel, this study compares the loyalty formation mechanism between sustainable fashion and fast fashion brands. A series of hypotheses proposing the difference in the loyalty formation between the two types of apparel brands were developed. A structural equation modeling tested the research model with a sample of 556 U.S. respondents. Although somewhat inconsistent, the results suggest that consumers form brand loyalty toward sustainable versus fast fashion in a different manner. Implications for marketers as well as directions for future research are discussed.

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## 1. Introduction

Sustainability has become an integral component of successful business in recent decades. In response to the social and environmental problems created by businesses, many companies have implemented a variety of sustainability initiatives, ranging from green marketing to a corporate social responsibility (CSR) program. While these initiatives have increased options for more sustainable choices in the market, consumers have been confused by the complexity of sustainability claims and mixed messages about the impact of these initiatives on society and the environment (Fulton and Lee, 2013; Parker and Dickson, 2009). Specifically, while some brands make a *proactive* approach to sustainability by actively seeking opportunities to invest in sustainability and embed it in their business practices, others are more *reactive* in their sustainability initiatives, adopting some sustainable business operations mainly in response to consumer demand and focusing on marketing and advertising their limited versions of ethical offerings and sustainability efforts. Given this difference in firms' sustainability efforts, this study distinguishes the firms' modes of approaches to sustainability into proactive and reactive approach, and examines their influences on brand loyalty.

This study particularly focuses on the case of apparel brands in examining brand loyalty with the different approaches to

sustainability. The apparel industry has long been notorious for its detrimental impacts on the ecological environment and society (Kozlowski et al., 2012). Indeed, few industries are more challenged by the sustainability concerns than the apparel industry (Caniato et al., 2012). With regards to the modes of approaches to sustainability, there also exists a clear difference in apparel firms' approach to sustainability between proactive and reactive brands. For example, many fast fashion companies, who are known for providing trendy fashion at low prices, have recently adopted environmentally-friendly business strategies by offering clothes made of organic cotton and engaging in a variety of CSR programs. However, concerns arise that merely offering a limited number of ethical versions of products (e.g., organic cotton collections) or dealing with one single point of lifecycle (e.g., offering a donation program for unwanted clothes) is a fundamentally different approach from that taken by sustainable fashion companies that consider social and environmental performances as equally important as financial performance (Caniato et al., 2012; Cline, 2012).

Despite the difference between the two approaches to sustainability, little research has delineated these two different approaches to sustainability and consumer reactions to each mode of sustainability efforts. Therefore, this study proposes a research model demonstrating the different mechanism of brand loyalty between the apparel brands that are proactive and those that are reactive to sustainability. The research model was tested by examining (a) different strengths of the association between brand value and brand loyalty mediators (i.e., brand trust/affect) and (b) differential roles of two moderating variables (i.e.,

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sustainability knowledge, fashion consciousness) in the relationship between perceived value and brand trust/affect. More details will be discussed in the literature review and hypotheses development section. Given that many of current apparel brands increasingly use sustainability claims (e.g., “ethical fashion brands,” “sustainably-designed clothes”) as their central marketing tool, the results of this study will provide marketers practical suggestions with regard to how they can communicate those claims with their customers. Theoretical suggestions will also be made as to how firms’ different types of sustainability efforts influence consumers’ brand evaluation and whether brand evaluations vary by consumer group.

**2. Literature review and research hypotheses**

The research model (Fig. 1) builds on two research streams: brand loyalty and sustainable consumption of apparel. First, the core brand loyalty model posits that perceived value of a brand influences loyalty indirectly through brand trust and brand affect. Second, within the core model, two variables (i.e., sustainability knowledge, fashion consciousness) are introduced to examine whether they moderate the relationships between brand value and brand trust/affect.

**2.1. The core brand loyalty model**

Brand loyalty is viewed as a deeply held commitment to repatronize a preferred product/service (Oliver, 1999). Researchers find that perceived value is one of the major antecedents of brand loyalty (Bolton and Drew, 1991), and that the link between perceived value and brand loyalty is mediated by brand trust, affect, and satisfaction (Grewal et al., 2004; Harris and Goode, 2004). This study focuses on brand trust and brand affect, which reflect the cognitive and affective aspect of relationship commitment, respectively (Chaudhuri and Holbrook, 2001).

**2.1.1. Perceived value**

Perceived value is defined as a consumer’s evaluation of offerings based on perceptions of what is received and what is given (Bolton and Drew, 1991). Perceived value occurs at various stages of consumption process including the pre-purchase and purchase stages. It also can occur even without actual consumption of the product or service (Sweeney and Soutar, 2001). Researchers argue that value is a primary driver of consumer choice whether at the product level or at the brand level (Sheth et al., 1991) and serves as a significant predictor of consumers’ behavioral intentions to remain loyal to a firm (Pan et al., 2012; Sirdeshmukh et al., 2002). That is, when consumers perceive value from an apparel brand’s offering given price and inputs, this overall perception of value can result in loyalty toward the brand.

**2.1.2. Brand trust**

Brand trust is a consumer’s willingness to “rely on the ability of the brand to perform its stated function” (Chaudhuri and Holbrook, 2001) and has been found as a critical antecedent of brand loyalty (Harris and Goode, 2004; Pan et al., 2012; Sweeney and Swait, 2008). To consumers, brand trust is their perception of a brand’s credibility (i.e., the brand performs effectively and reliably) and benevolence (i.e., the brand is interested in the consumers’ interests) (Doney and Cannon, 1997). Chaudhuri and Holbrook (2001) argue that consumers’ beliefs about reliability, safety, and honesty are important facets of trust in their brand evaluation.

**2.1.3. Brand affect**

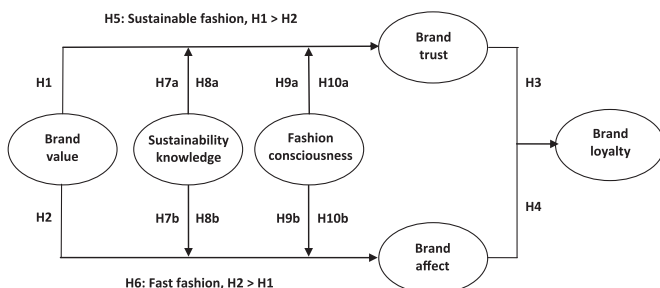
As an affective component of relationship commitment, brand affect is defined as “a brand’s potential to elicit a positive emotional response in the average consumer as a result of its use” (Chaudhuri and Holbrook, 2001, p. 82). Although spontaneous and immediate in nature (Chaudhuri and Holbrook, 2001), researchers have found that brand affect is an important predictor of brand loyalty, arguing that when consumers feel happy, joyful, or affectionate with a certain brand, they exhibit a stronger commitment to the brand (Chaudhuri and Holbrook, 2001; Dick and Basu, 1994). Verhoef (2003) also views the affective component of relationship commitment as a psychological attachment to a firm, which directly influences customer retention and customer share.

This study classifies apparel brands into proactive brands (i.e., sustainable fashion brands) and reactive brands (i.e., fast fashion brands) in terms of their approach to sustainability (more discussion will be provided in the next section). Both sustainable fashion brands and fast fashion brands offer their own unique value to their target markets. While sustainable fashion brands meet the market demand for environmentally- and socially-responsible products, fast fashion brands satisfy the consumer desire to buy clothes that mimic current fashion trends in an affordable price. This perceived value of brands can build brand loyalty through brand trust and brand affect. Thus, the following four hypotheses were proposed to confirm previous findings.

- H1.** perceived value of apparel brands will have a positive effect on brand trust.
- H2.** perceived value of apparel brands will have a positive effect on brand affect.
- H3.** brand trust will have a positive effect on brand loyalty.
- H4.** brand affect will have a positive effect on brand loyalty.

**2.2. Two modes of approaches to sustainability: proactive versus reactive**

The two modes of approaches to sustainability (i.e., proactive versus reactive) were developed based on the taxonomies introduced in Parker and Dickson’s (2009) book: (a) ethics-led versus demand-led and (b) mainstream versus niche. As for the first taxonomy, brands in the *ethics-led* category have been committed to sustainable business from their inception and evaluate social and environmental performances as equally as financial performance, which reflects operating to a triple bottom line. In contrast, brands in the *demand-led* category have adopted sustainability initiatives primarily in response to consumer demand and consider social and environmental performances as a means to better financial results, not as an end itself. As for the second taxonomy, *mainstream* brands seek to transform the whole industry by taking a leadership in sustainable development in business, while *niche* brands attempt to merely satisfy a segment of consumers who care about sustainability.



**Fig. 1.** Research framework.

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