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Awareness about companies CSR efforts regarding ethical wages at their supplier factories abroad

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1. Introduction

In recent decades the outsourcing of low-skill labor among Swedish garment companies to low wage developing countries has been a typical business strategy to lower their expenses. This outsourcing activities were highlighted in the media and connected to unfair wages at supplier factories, the businesses ethicality came under question. A wave of ethical consumption has grown stronger among consumer population and they have societal expectations from businesses that requires that companies act responsible and ethical wherever they have activities (Erwin 2010; Barrientos 2013). Companies needed to live up to those expectations because of their reputation and competitiveness (Erwin 2010). They have therefore adopted Corporate Social Responsibility (CSR) in their business practices which has been known as an important part between an ethical company and its customers (Nasrullah and Rahim 2014; Perez 2015).

The Swedish H&M as well as two other Swedish garment brands Kappahl and Lindex have been at the center of the media scandals and been connected to unethical practices. They have adopted ethical code of conduct regarding wages as guidelines for their social responsibilities and made it a more central and known matter in their businesses. In all three companies, the codes regarding wages clearly state that their suppliers and subcontractors are required to pay their employees at least the minimum wage or the industry standard wage. Since, it has been argued that CSR works as a strategic tool for companies when building or rebuilding their image, consumer awareness about the efforts regarding ethical wages are crucial. For companies to benefit from the outcomes of their CSR engagements, consumers need to be aware of their CSR engagement in the first place. It is then left to wonder if companies communicate their CSR policies in an effective way and are consumers aware of the CSR efforts.

Selection of companies and investigation subject

Social responsibilities that corporates have are very wide. There is therefore, a broad set of studies regarding different CSR issues and companies' media exposure. I have limited my paper to consumer awareness of companies CSR efforts regarding fair wages at supplier factories abroad and how companies may benefit from these efforts. One reason for this was the restricted timeframe, otherwise, I could also have examined other subjects of CSR and labor connected to Western outsourcing activities that were exposed in the media. This would have allowed me to detect any differences or similarities in consumer awareness about them. I have chosen to examine H&M, KappAhl and Lindex because they are three large well-known fashion companies in Sweden with suppliers abroad. Further, these three brand names have been at central for the ethical debates about low wages abroad and have been among the first major fashion companies in Sweden to establish code of conduct for their suppliers in the developing countries.

Problem discussion

Because of their search for lower operation cost, H&M, KappAhl and Lindex outsourcing activities too low- cost suppliers abroad placed them at the center of scandals about unethical wages. This threatened their reputation and they responded by making CSR a more central matter in their business. H&M, KappAhl and Lindex are making CSR efforts towards fair wages at their suppliers abroad. However, this engagement has been seen as a strategy for business motives to benefit themselves. The companies are displaying their CSR engagement at their official webpages. However, whether it is enough to reach consumers and educate them about the responsible efforts they are making is unclear. The possible low awareness can be a problem since the competitive textile industry has been blamed for irresponsible outsourcing activities and unethical wages at their suppliers. Besides, consumer might reflect the positive or negative knowledge they have or not have about a brands CSR work on other similar brands. Regardless of businesses motives and expected benefits from their CSR engagement consumers need to be aware of it in the first place. In this paper I want to discover if consumers are aware of these companies CSR policies regarding fair wages. Regardless of the claimed low consumer awareness about corporations CSR work, it is interesting to find out if consumers with awareness reflect it on the particular brand in question, or if they assume that other brands with relatively similar market position also are involved in social responsibility efforts.

Purpose and research questions

After the media scandals about unfair wages, Swedish garment companies made great CSR efforts which have been argued to work as a strategic tool for them. The purpose of this thesis is to discover if Swedish consumers are aware of H&M's, KappAhl's and Lindex's CSR policies regarding fair wages. I will describe the role of CSR awareness for business and how companies communicate their CSR to consumers. To fulfil my purpose, I will answer the questions below.

Question formulation:

1. Are consumers aware that H&M, KappAhl and Lindex have established codes of conduct that demands that the supplier factories pay its workers at least the countries minimum wage?

-If not: Do they wish for better information flow about the companies CSR activities?

-If they are aware: Have the CSR policies affected their purchasing decision of the brands?

-Does this awareness of these 3 companies CSR policies reflect solely on their brand?

2. Besides wanting to do good, what motives does companies have for engaging in and being connected to CSR and how may this lead to possible financial benefits for them?

Outline

Since, CSR is a tricky notion with unspoken rules; it is managed differently and can be perceived in various ways. Therefore, before introducing the background and the theoretical framework of my paper I added an explanation of how the concept of CSR is defined and perceived. I will start by introducing the background of the thesis, which includes the adoption and growth of CSR within the garment industry. An introduction of scholars' views about the role that the media have had in this adoption, expansion and popularity will be given followed by a discussion about the beliefs that CSR can work as a strategic tool for companies. Further, the view of several scholars regarding companies' motives for engaging in CSR is presented. In order to be able to better analyze the result of the questionnaire for the empirical part in a context within a bigger picture, I explained the role and importance of consumer awareness about companies CSR engagement and efforts. I also added scholars view and arguments about the level of consumers CSR awareness and a discussion of whether

all of the CSR policies of garment companies have any impact on their suppliers and what role consumer awareness may have in it.

After the theoretical part, before showing the results of my questionnaire I showed the CSR policies that H&M, KappAhl and Lindex are presenting via their official webpages. Additionally, I added some information about how these three companies communicate and highlight the CSR policies they have regarding wages in the supplier factories that sew their cloths. In the final part I present the findings and analysis of my questionnaire.

2. Methodology

Research strategy and design

I began my data collection with writing about H&M's, KappAhl's and Lindex's CSR policies. This was done through gathering data via their official webpages. All three companies did have broad information about their CSR work at their official webpage. But it was not easy to notice and not visible until I searched for it as a search- word in their catalog.

From the two main types of research methods, qualitative and quantitative, I choose to use a quantitative method to gather the empirical data. The reason is because my aim is to capture trends in behavior in the population chosen. A quantitative research method to gather the empirical data is therefore appropriate for my study because according to Buglear (2012) and Feinberg, Kinnear and Taylor (2013), the quantitative method focuses on trends and behavior, frequency and distribution in a population rather than a few responder's answers and opinions as in a qualitative discussion. Feinberg, Kinnear and Taylor (2013) meant that the information in a qualitative interview refers more to the responders motivation, beliefs and feelings, not to facts about their behavior and are not intended to reach statistically accurate data. The qualitative method was therefore not my choice of method because I wanted to reach statistical data about the population's behavior.

In order to gather existing information for the background and theoretical framework of my paper I started to study scientific articles about my subject. This part of my study is based on scientific articles and argument of scholars. The two first questions about companies' motives

and benefits are solely based on scientific articles. I wrote about the concept of CSR, its significant for businesses, the background and motives of its adoption in the Swedish garment industry. Information about CSR awareness and the necessity of it is also collected through scientific articles. The articles that I used were accessed to through University library. The keywords that I used the most were CSR, apparel industry, outsourcing activities and CSR, ethical trade, Consumers CSR awareness, CSR reporting,

I choose to collect the empirical data using a questionnaire where I asked the participants if they were aware of the companies CSR policies regarding wages at their suppliers in developing countries. The questionnaire had the design of a self-completed questionnaire with three/four (depending on the answer) questions that 100 randomly picked consumer completed. I choose it because according to Feinberg, Kinnear and Taylor (2013) a random survey design is useful when describing characteristic of consumers and determining the frequency of markets which is suitable for my research. Feinberg, Kinnear and Taylor (2013) also demonstrated various ways of random data collection in a quantitative survey. A quantitative survey method is argued to be suitable when collecting data from people about who they are, how they think and what they do, simply measuring and explaining (Nyberg and Tidström 2012; Buglear 2012; Feinberg, Kinnear and Taylor 2013). Therefore, it is an appropriate method for me, since I want to find out how many of my chosen population know about a subject and how they behave based on the knowledge. Even though a quantitative random sampling is appropriate for a homogenous population, Buglear 2012 mentioned a potential disadvantage with the method and meant that the sample may not represent both genders equally which is an important aspect of the analysis. By using a theoretical framework, I was then able to analyze and discuss my empirical findings.

Selection of responders for my quantitative questionnaire

Population and sampling

The target population for this research is 100 random selected individuals over the ages of 18 who are potential customers at H&M, KappAhl and Lindex. According to the companies' webpages, their target clientele includes all people at different ages. Below I present citations

from the company's own webpages where they highlight who they are turning to in the society as a customer group.

"H&M designs fashion for all. The collections include everything from dazzling party collections to quintessential basics and functional sportswear – for women, men, teenagers and children, and for every season or occasion" (H&M 2015).

"At Lindex, you will find a vast range of versatile styles you can choose as wardrobe essentials, underwear and elegant evening wear. Lindex assortment covers several fashion concepts in women's, kids, lingerie and a men's collection" (Lindex 2015).

" We have a wide selection for women, men and children and we cater especially for women in the prime of life. No matter your age, size, shape and personality. Our fashion is available in many sizes and for all shapes" (KappAhl 2015).

Where and how

Since these companies are turning to everyone in the society as potential customer, the size is too large and comprehensive for my study to handle and be able to generalize. Therefore, I have chosen to ground my study on 100 randomly selected consumers' answers and include all of them in my sample. The data collection was done through a systematic random sampling because probability of different consumers to be chosen is greater in a random sampling. According to Feinberg, Kinnear and Taylor (2013) a random sample is a simple probability based procedures and the chance of selection is equal for all in the chosen population. They also added that random sample technique is used in majority of market research that uses sampling.

The collection of empirical data was made in high traffic location in Gothenburg's central station. The 100 answers were collected via a systematic random sampling method. On each start and count, every 10th person (18+) walking in to a specific entrance in the area was approached and asked to participate in the survey. This was done to ensure that every single person in the area had the opportunity to be selected and participate in the research. According to Buglear 2012 and Feinberg, Kinnear and Taylor (2013) choosing a random number within 1-10 with regular intervals to pick the participants is an easy and good approach in a random

survey. I divided the collection of the 100 answers into three parts and collected each part in a separate day. On the first and second day I collected 35 answers on each day and on the third and last day I collected the final 30 answers. The collection for each day took between 3-4 hours and was in three days in a row.

Non- response analysis

This was time-demanding and not always easy, because people were reluctant to stop and fill out the survey. Out of the persons that I approached and asked to participate approximately every fifth person agreed to fill out the questionnaire. In total, I have approximately asked 500 persons and 100 of them agreed to participate in the questionnaire. Out of the ones that I approached, I did not notice any significant differences in the willingness of male and female participation. However, older people were more unwilling to participate

3. Previous literature

Definition of the concept of CSR

The fast globalization and information flows have gradually made people to reflect over businesses ethicality and responsibilities towards the society. One can think that even if the early 2000s was an era of scandals for the garment sector, a positive outcome was that the business community became more involved in the notion of social responsibilities and sustainable development (Carroll and Shabana 2010). The concept of corporate social responsibility to reach social sustainability in the business world is continuously gaining attention from academics, businesspeople as well as consumers and has developed a popular field of its own (Erwin 2010; Bair and Palpaceur 2015). Based on this increased focus on CSR in both business and academic worlds, it can be argued that CSR has become a widespread concept in the society. It is important to mention that CSR is a voluntary responsibility practice and not required by law. CSR is all about a company's social, ethical and environmental responsibilities in their business operation and being responsive to the needs and expectations of its different stakeholders. Commission of the European Communities defines CSR as a concept where companies integrate social and environmental concerns in their business operations as well as in their interactions with their stakeholders on a voluntary basis (Nasrullah and Rahim 2014).

CSR has been defined as:

“an umbrella term for a variety of theories and practices: that companies have a responsibility for their impact on society and the natural environment, sometimes beyond legal compliance and the liability of individuals; that companies have a responsibility for the behavior of others with whom they do business (e.g., within supply chains); and (c) that business needs to manage its relationship with wider society, whether for reasons of commercial viability or to add value to society”

(Lund-Thomsen and Lindgren 2014, p 12)

Even though definitions about CSR are being made, there is no universal agreement or consensus over what is expected from companies that commit to CSR, because companies have various levels of CSR activities in different fields. Corporate social responsibility is simply about business practices that respect the well-being of workers and the environment that heavily been associated with workers right. Nasrullah and Rahim (2014) meant that CSR

is a concept where a company decides to contribute to a better society, but to what extent is decided by the company itself.

The garment industry, CSR and the media

The Western companies outsourcing of their garment production to supplier factories in low-cost countries have been seen as a cost strategy for them. This strategy aroused a lot of discussions and criticism in the Western society. The responsibilities that the Western companies have regarding wages in the supplier factories that are connected to their outsourcing activities has become a known factor. Wages in these labor-intensive factories have been showed to be extremely low. To the level that workers could not cover their basic living expenses, despite the fact that they worked over 10 hours 6-7 days/week (Quaddus, Chowdhury and Dewan 2012; Barrientos 2013; Lund-Thomsen and Lindgreen 2014). The Swedish garment companies H&M, KappAhl, and Lindex order their cloths mainly from suppliers in low-cost Asian countries. They do not own any factories but have placed their manufacturing with local suppliers over there (H&M 2016; KappAhl 2016; Lindex 2016). Unethical working conditions and bad wages in these supply-factories have through the media been connected to H&M's, KappAhl's, and Lindex's outsourcing practices. This was spread among Western consumers, which over time increased concerns regarding workers' rights in these garment factories. The concerns grow stronger and different stakeholders protested in different ways and fought for workers' rights (Kamal and Deegan 2013). The consequences of the protest and demands led to a change in companies' activities abroad. The outsourcing industry that historically been driven by Western multinational buying companies and their requirement rather than keeping good relationships with the employees was now publicly put under pressure (Lund-Thomsen and Lindgreen 2014) and forced to take some actions to keep its legitimacy in the eyes of stakeholders. The apparel industry is a visible example of media exposures of businesses practices abroad, in particular when it comes to workers' rights and low wages. Islam and Deegan (2010) whose research was about the media pressures of two major well-known brands, H&M and Nike, concluded that the relatively low labor cost in the developing countries has been the main reason that multinational companies outsource their production. They pointed significantly out that the low cost usually goes hand-in-hand with low wages and level of rights of workers in the manufacturing factories. Suppliers want to keep Western buyers content by being cost and time effective. Islam and Deegan (2010)

meant that this was the reason to many suppliers' irresponsible business practices because they wanted to fulfill the demand of their buyers. Barrientos (2013) agreed and added that the low cost for Western buyers as well as consumers at the end of the supply-chain comes mainly from low factory wages. This kind of issues and abuse of social rights in the labor-intensive garment industry are not rare in developing countries such as Bangladesh, Sri Lanka and Pakistan (Quaddus, Chowdhury and Dewan 2012). It is the larger Western companies who have worked with suppliers in these countries that have been most vulnerable and exposed to the negative media campaigns that may have damaged their image (Barrientos 2008). This media exposure triggered a reflection among Western companies that they have to protect themselves and prevent future media exposures. From an interview with a clothing retailer that perceives the media campaign as:

There's a business risk aspect, which is media campaigns. We don't want to be hung out to dry too often. So providing that we can show positive improvement and we engage with a lot of stakeholders and they see we are trying to do a good job, the risk of being attacked reduces.

(Hughes 2012, p 41)

Despite the criticism, the fact that developed countries outsourced production created labor opportunities in poor countries has been unavoidable in the discussions. The garment industry provides many developing countries with much needed jobs and export earnings (Quaddus, Chowdhury and Dewan 2012; Ruwanpura 2015). However, while this industry is making valuable contributions to the developing countries such as Bangladesh and Sri Lanka, the social issues regarding labor rights highlighted in the Western media is also unavoidable and creates a negative image for the products. Therefore, products produced over there may be connected with unethical issues and threatens the views of exported garment from poor countries in the international market (Quaddus, Chowdhury and Dewan 2012; Nasrullah and Rahim, 2014). Among the topics that mostly caught attention were issues related to low wages for garments worker in the supplier factories. One known example is the labor intensive ready to make garment industry (RMG) in Bangladesh that supplies n companies and have several times been held up as examples of poor standards and extremely low wages (Islam and Deegan 2010; Quaddus, Chowdhury and Dewan 2012). Sri Lanka has according to Ruwanpura (2015) largely been able to avoid the negative media exposure mainly because of their early ethical trading initiatives. Therefore, one can agree with Azmat and Haque (2015) in their conclusion arguing that the garment industry in Bangladesh instantly needs to

adopt CSR policies from a stakeholder point of view for their trustworthiness and long-term sustainability.

This situation with poor labor practices at the supplier factories have existed for several decades but it was in the beginning of the 1990s that Western consumers started to show their worries and continuing on since (Islam and Deegan 2010; Lund-Thomsen and Lindgreen 2014). This is mainly because information about corporations' activities overseas reached the public more easily and made them more aware of the conditions that goods were being produced in the poorer countries. This awareness started a public outrage and the fairness of many well-known brands was questioned which increasingly inspired the civil society to take actions regarding ethical trade' and labor practice to improve workers' rights in developing countries (Coe, Dickens and Hess 2008; Hughes, Wrigley and Buttle 2008; Carroll and Shabana 2010; Barrientos 2013).

With this said, the media can be viewed as a link between labor practices around the world and consumer population. Movements started by NGOs and the media kept highlighting the use of unfair labor in factories that were producing items for the Western markets. This kept creating negative media publicity for the companies worldwide (Islam and Deegan 2010; LundThomsen and Lindgreen 2014). These actions of violating ethical standards for Western garment companies become very concrete and debated within the society. Negative reputation followed by consequences was created for the garment industry and in particular for the brand names involved, which in the long run may challenge the global networks of supply chains (Coe, Dickens and Hess 2008; Erwin 2010).

This have made international retailers to consider corporate social policies more seriously and as a necessary part of their business practices. The garment industry that is among industries who have received much visible criticism in the media and was held as an example for unethical labor exploitation has also been at the frontline of the adoption of ethical trading initiatives in outsourcing activities to developing countries (Ruwanpura and Wrigley 2011; Kamal and Deegan 2013). Companies needed to responds to the received criticism and repair their reputation by showing that they are responsible businesses. They wanted to show that their work is ethical throughout the whole value chain, in particular in the poor and week countries. Therefore, CSR became a primary part in their business activities (Hughes, Wrigley and Buttle 2008; Carroll and Shabana 2010; Barrientos 2013; Hamilton 2013; Lund-Thomsen and Lindgreen 2014) which is further discussed as a necessary business strategy that cannot be beneficial if customers are not aware of it.

The media scandals and CSR as a strategic tool

It has now been argued that the mass media and pressure from civil society can exert great influence on customer behavior. This ultimately effects companies' behavior, in particular companies CSR activities in the garment industry's outsourcing activities (Coe, Dickens and Hess 2008; Islam and Deegan 2010; Erwin 2010; Zyglidopoulos et al 2012). Hamilton (2013) whose research contributes to work in economic geography has examined the role of stakeholders with focus on customers in companies' social and environmental performance. Hamilton (2013) argues that the future of corporations relies on the perception and demand of consumers and not the other way around. Gereffi and Fredrick (2010) used the successful American ethical garment brand Patagonia in their paper as an example of the success of ethical brands and reasoned that this is evidence of the power of consumers' demand.

The connection between CSR-activities and customers' perception of the business as well as behavior towards them is getting clearer and more significant. The importance of consumers' knowledge about brands CSR activities is highlighted as a crucial factor in a company's success. This is in particular important when a business has publicly been connected to unethical operations, like the Swedish garment companies have been via the media.

Since customers' awareness about corporations' activities has increased and ethical consumption has somehow become a trend, companies try to respect the demands of consumers showing that they are ethical business. To act according to consumer demands and norms may not always be an easy task. Because companies need to differentiate themselves and be competitive as they simultaneously, face the pressure to work by the same standards as their rivals in order to maintain their legitimacy. They needed to create a positive reputation meanwhile keeping the same cost effective outsource strategy. For that reason, CSR in the garment industry has been seen as a strategic tool adopted by Western companies to combat the negative media publicity and criticism regarding low wages abroad. The adoption of CSR gives businesses a picture and reputation of being ethical and responsible. It has therefore been seen as a respond to the debates about low wages and wage standard in the supply chain as well as to the requirement of customers wanting them to be responsible. Companies are taking actions towards creating fair wages throughout the whole value chain by implementing wage policies at their supplier factories. Erwin (2010) argues that CSR activities have become very popular when building up or rebuilding a positive reputation among customers and

defines code of conduct as a common CSR tool adopted by companies to show that they have responsible and ethical business practices.

Company motives for engaging in CSR

The debate regarding CSR and ethics is shifting from costs to benefits for corporation. However, why would they whose primary goal is to maximize profit commit to and invest in policies that does not generate immediate benefits? Which beside holds firms responsible for activities that is beyond their areas, such as the actions of their suppliers and distributors for example? Many may still consider CSR as a sort of favor by business to communities and it may very much be correct that companies are being helpful and think of the wellbeing of others. But in fact, companies themselves are also benefiting a great deal on CSR engagement and as Urip 2010 (p 13) said it:” *CSR is widely recognized as a worthy commitment to ensure sustainable benefits for both corporations and community*”. CSR has been explained as a shift from corporate obligations to strategy and by engaging in CSR corporate may look better, do better and live longer. It is therefore, believed that, in addition of their responsibility towards the society, companies integrate CSR in their supply chain as a business strategy. For the reason that they need to meet stakeholders’ expectations and gain customers approval for the sake of their own benefit at the end (Sadler and Lloyd 2009; Vanhamme and Grobбен 2009; Quaddus, Chowdhury and Dewan 2012; Barrientos 2013; Lund-Thomsen and Lindgreen 2014). This has then a positive effect in their market in regards to engaging in and caring about customers’ demands and as Berrientos (2008, p 981) stated: “*code of labor has thus been introduced by corporates as a part of a broad strategy appealing to high-paying consumers on both the commercial and social reputation of their brand*”.

With this reasoning, it can be said that CSR activities that by the public are regarded as responsible and helpful actions generate positive reputation and development for companies.

CSR can contribute to companies’ development and be a resource that can create positive outputs for them. The positive relationship between social performance and business performance has now been stressed. CSR policies that are argued to be a strategic tool can be viewed as a strong motivation for a company’s success.

These policies that have become a standard business practice of modern time is an important component of a company’s policies and strategies. Because, as traditional views about

competitiveness, survival and profitability are diminishing companies can no longer act as depended economic entities. Consumers societal expectations of businesses has increased and business need to take them seriously (Erwin 2010; Barrientos 2013; Comb and Holladay 2014). To be competitive and successful companies need to take consumers values in to account and meet their expectations. This matters because as (Black and Anderson 2010) observed consumers want to purchase from a brand that acts ethical towards its surrounding and avoids businesses that have a reputation to be unethical. Reputation that according Erwin (2010) is built on stakeholder's expectation can affect the purchasing decision of customers. If they have a negative perception, it may create reputational challenges for businesses (Comb and Holladay 2014). Companies need to oppose to and prevent this challenged and by engaging in CSR, they can show that they are a responsible business. CSR, which is regarded as a business commitment that contributes to sustainable economic development, works also as a safeguard for future challenges that business may meet. Still, even if they are engaged in CSR, they need to present this commitment to consumers more effectively. One example is H&M's actions when they faced reputation challenges, according to Gaskill-Fox, Hyllegard and Olge (2014) H&M had addressed workers' right issues in their suppliers' contract long before the media scandals, but had not made them public until after they faced negative publicity and pressure from the public. They needed to show the public that they are responsible business that cares about the rights of the workers that are sewing their cloths. Bahattacharya, Korschun, Senwe (2009) argued that a company's actions to be socially responsible are to the extent that corporate resources such as money or labor are distributed in activities that are planned to improve societal welfare where it is needed, and that such initiatives ultimately result in different positive outcomes for the company. One of the major initiatives within CSR policies that have a significant and direct effect on workers' life is wage-policies in supplier factories. Companies are more than ever spending resources on social initiatives and socially responsible business practices and policies regarding labor rights and fair wages has gained much significance in the apparel industry (Du, Bhattacharya and Sen 2010; Gaskill-Fox, Hyllegard and Olge 2014). It is becoming more obvious that stakeholders' negative opinion about corporations' activities abroad may threat a company's competitiveness and that businesses are taking preventive action towards it. Based on these arguments, it can be said that this may lead to an image that reflects on a responsible and helpful business.

Companies' engagement in CSR has therefore been known as an important part between an ethical company and its stakeholders that helps legitimize businesses behavior which generates a positive reputation for them (Nasrullah and Rahim 2014; Perez 2015). A good reputation leads then to positive consumer perception and affect their purchases of a brand (Barrientos 2013) which ultimately positively influences the company's financial situation (Agarwal, Feldman and Osiyevskyy 2015). For that reason, CSR has become a crucial factor for companies when showing their actions towards ethical and responsible working conditions with fair wages throughout the whole value chain. CSR efforts can be viewed as an effective strategy where companies' pursuit their financial goals with good citizenship. Strong CSR-motives are performance-driven, value-driven, and stakeholder-driven which all lead to competitiveness and financial benefits. Companies that engage in CSR create a sustainable brand image, lowers reputational risk throughout the whole supply chain and build customer loyalty which increases long-term profitability (Sadler and Lloyd 2009; Gaskill-Fox, Hyllegard and Olge 2014).

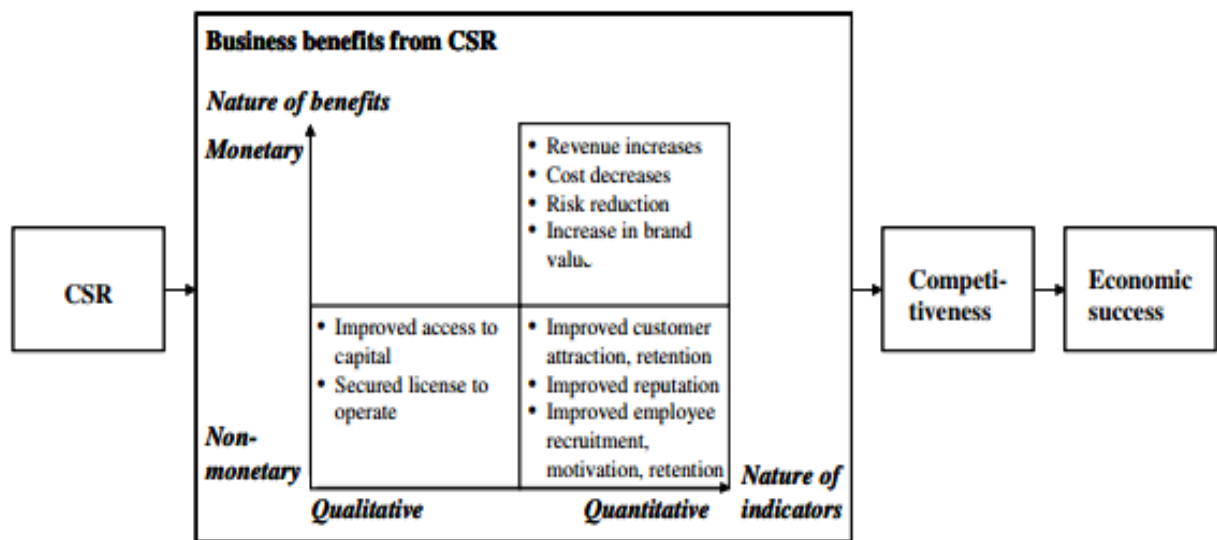
Cause marketing

The idea that corporations adopt CSR policies as tools to gain this valuable positive reputation and a better brand image that brings positive outcomes is a view shared by many. An example is cause marketing, which is a strategy where, in addition to highlighting the product advantages, product benefits are connected to appeals for "helpful giving" and CSR efforts (Lii and Lee 2011; Hawkins 2015). Through this strategy, companies can create purchasing incentives for their products as well as improving company images. At the same time, their customers and the society as a whole accept them. Respecting internationally recognized social standards in their business processes is what makes business activities socially acceptable by consumers. As Erwin (2010) highlighted the primary benefits comes when a company supports consumer values in their business activities. Being observant to customers' interests and concerns can then work as competitive advantage for businesses when pursuing their ultimate goal, the profitability interest with the approval of consumers (Agarwal, Feldman and Osiyevskyy 2015; Bair and Palpaceur 2015). Therefore, the important key here is to make sure that customers really are aware of the CSR effort that the company is making. It is not an understatement to say that the success of a company's CSR policy depends very much on the perception of consumers. For that reason, it is significant to be able to estimate the effect of CSR activities on companies. CSR activity may be captured through measures

like CSR-related consumer rewards; because consumers are likely to reward the brand name for its CSR activities through their purchase intentions (Bhattacharya, Korschun and Sen 2009; Drew 2010; Hur, Kim and Woo 2013; Cudjoe and Anim 2015).

Wang and Berens (2015) referred to reputation as an important factor in firm profitability and meant that even though corporate reputation is a firm's valuable intangible assets it can produce tangible assets. Below, a figure is presented where one can in a systematic way see the different tangible and intangible benefits that corporations gain through CSR activities.

CSR business benefits can be ordered into monetary and non-monetary benefits as shown in the figure below.



CSR Impact Model.

(Weber 2008, p. 250)

Monetary benefits include direct financial effects such as income increases and cost decreases. They also include benefits such as risk-reduction and increase in brand value due to CSR activities that does not directly mean cash flows but can instead lead to it and measured in monetary terms. Drew (2010) mentioned that from a financial perspective, brand value

reflects the financial value of a brand and a direct financial effect shows when customers buy the brand. Non-monetary benefits are benefits that not directly measures in monetary terms but do very much have an impact on a company's competitiveness and its financial success and measures in both a quantitative and qualitative ways. An example that Drew (2010) used in his paper was that, repurchase rates can be measured to analyze the impact of CSR on customer attraction. Drew (2010) added that quantitative surveys can help to measure improvements in reputation and attraction while qualitative measurements or signs, includes CSR activities impact on companies' social license to operate in the society. Again, it is unavoidable to notice that CSR can help to secure the acceptance of a company among customers that are sensitive to social concerns. CSR often produces intangible benefits such as reputation improvements for a business, which shows its affect in the end, after a period of time (Drew 2010; Erwin 2010). Drew (2010) additionally pointed out that for corporates to try to observe and measure individual CSR activity's impact they need a much more detailed and modeled measurement strategy. The benefits that CSR has for a business is a view shared by several scholars in my paper, the agreement between them implies that CSR is becoming a necessity for a business success. But all of this can be possible if CSR activities are being effectively communicated to customers and making them aware of businesses "good doings".

Why is the role of consumer awareness of CSR policies important?

The fast globalization and the facilitated information flows to societies make consumers more aware of Western companies' practices overseas. The apparel industry that has a high risk for negative social impacts and are actually making effort to be socially responsible need also to put efforts in communicating them (Gaskill-Fox, Hyllegard and Olge 2014). Due to the media scandals about the Swedish textile companies' poor wages at supplier factories in developing countries, in particular about H&M (Combs and Holladay 2014) consumer may have shaped a negative perception (Islam and Deegan 2010; Erwin 2010; Ruwanpur and Wrigley 2011). Therefore, awareness about the company's current CSR policies and business practices overseas may be a ruling factor due to their past. They need to market their CSR, showing that they are paying attention to, act-according consumers' values and wishes. Because as mentioned earlier customers want to purchase from an ethical brand and have societal expectations they want companies to meet. CSR awareness creates understanding and

acceptance for a company's behavior which makes it easier for them to operate and reach their goals strategically (Erwin 2010; Barrientos 2013; Comb and Holladay 2014; Perez 2015). As, it has been brought up in different ways businesses are more and more being aware and reminded of the fact that they need more than just a legal license for their operations. Since they have CSR policies and act in an ethical manner, they must not forget that consumers also need continuously reminders of the companies' actions towards ethical practices to stay or become socially responsible in their minds. This is important because according to Alniacik, Alniacik and Genc (2011) awareness of a company's CSR is associated with higher purchase intention of the company's products.

Perez (2015) has the same argument as above while stressing the point that the quantity and communication of CSR is very valuable for a company's reputations and outcomes. Islam and Deegan (2010) who examined the relationship between negative media attention and the significance of H&M's CSR disclosures found a very positive connection between CSR awareness and negative publicity about their outsourcing practices. They meant that CSR awareness has positive outcomes for companies that were connected with unethical labor practices abroad. Gereffi and Fredrick (2010) agreed with Islam and Deegan (2010) on CSR awareness importance and additionally added that it has an impact on outsourcing activities and the whole value chain in the end. Business ethics has come to be a necessary prospect for the success of a business. Beside product quality and price, this "new" ethical value is highly important in the creation of purchasing intentions of a brand. Because even if a company has favorable product with management competence but non-ore negative CSR information, the purchasing intentions of the company's product can be prevented (Alniacik, Alniacik and Genc 2011).

Furthermore, Gaskill-Fox, Hyllegard and Olge (2014) highlighted that consumers are willing to support companies that are socially responsible and avoid, criticize and blame companies that act irresponsibly. Concerns about corporate responsibilities and legitimacy have therefore grown in the socioeconomic landscape, which has the ability to influence the views of corporates brand. Perez (2015) believed that corporate legitimacy is closely connected to corporate reputation and highlights that the reviling of CSR policies and activities is a very important part of the relationship between the ethical company and its stakeholders, which helps to legitimize corporate behavior and leads to positive corporate reputation.

In addition, since the market for fashion and clothing is highly competitive with similar manufacturing strategies and marketing approaches it is important that companies "mark"

their ethical practices as their own. Because consumers may assume that the CSR efforts of one company also applies to other companies with similar market position, then others may free-ride on their efforts and investments. It may also be the other way around and the possible unethical practices of others may reflect towards a company that actually is socially responsible. According to Gaskill-Fox, Hyllegard and Olge (2014) consumers do not always separate between companies' products and highlights that awareness about CSR efforts of a brand may have a significant role in shaping consumer behavior and attitude towards the brand. They additionally added that this is in particular important in the highly competitive apparel industry.

Consumer CSR awareness

A large set of research have now been arguing for the positive effects of CSR on consumer behavior and its benefits for companies. The agreement is that for corporations to be able to have a picture of the impact that their CSR efforts have in their business, consumers' awareness of their CSR activities plays a major role. As showed, studies indicate that consumers purchasing decisions may be influenced by companies CSR efforts, if consumers are aware of them that is.

For consumers to act 'rewarding and punishing', which usually is shown through their purchase of a brand and influences the profit, it is important that they are aware of which firms are socially responsible in their business activities throughout the hole value chain, even if it is abroad. According to Pomeroy and Dolnicar (2009) to create this awareness and "rewardness" in consumers, businesses in any sector are increasingly turning to "social" marketing. But Pomeroy and Dolnicar (2009) clearly points out that consumers are skepticism towards them, therefore, empirical studies about actual consumer awareness about CSR activities in different social issues have been made. Although CSR activities may be effective in provoking positive consumer attitudes in theory, it does not necessarily mean that it is effective in educating consumers in different marketplaces about the actual social work that companies are doing. Pomeroy and Dolnicar (2009) discussed in their study that quantitative studies shows that consumers' awareness about CSR activities was low in different sectors and suggest that corporates should put extra effort in educating consumers about the activities so they better can benefit from the outcomes. Cudjoe and Anim (2015) agreed that consumer awareness was limited and that better communication about this matter is necessary in different sectors. Despite the arguments that information flow about businesses

social work does not reach consumers in an effective way, companies may have sales and revenue anyway. However, Hawkins (2015) and Cudjoe and Anim (2015) meant in their study, that even if purchasing choices are not always influenced by a company's CSR status, consumers still want a business to be socially responsible and that CSR actions are more visible for them. They additionally added that consumers might also become more ethically in the future and change purchasing behavior. Therefore, awareness of companies CSR efforts is crucial for business in building their image. In the case of low consumer awareness, the expected effect of CSR initiatives on consumers purchasing decision is only theoretical. Still, survey results indicate that a strong consumer demand for CSR information exists and that consumers will support the businesses that make CSR efforts (Pomeroy and Dolnicar 2009). Consumer awareness of CSR activities shows to have a positive relationship with their purchase of brands and Lee and Shin (2009) and Pomeroy and Dolnicar (2009) meant that a higher level of awareness would have an even more positive effect on consumers purchasing behavior. I have showed that scholars constantly bring up the impact and significance of CSR awareness arguing that the benefits of CSR activities are determined by customer awareness about a brand. Nan and Heo (2006) believe that consumer attitude towards a specific company-name that is directly connected with strategies such as cause-marketing or other CSR activities is more positive. On the other hand, they highlight that this is only possible for consumers who already have some awareness about the company's social work and for those that have low awareness it does not impact their evaluation due to the lack of knowledge. Once again, awareness about CSR work plays a significant role for business, specifically because of pressure from the civil society wanting them to act ethical in developing countries. Companies need to respect that for being viewed as responsible businesses. Therefore, providing the opportunity for customers to gain the right knowledge about their CSR activities abroad is just as crucial as implementing CSR in their business. Based on all of the discussions about CSR with its vitality and value for business I want to find out if people are aware of the CSR policies that the Swedish H&M, Kappahl, and Lindex have implemented in their business.

With all of the efforts, are CSR policies affecting wages at supplier factories?

It has in various ways, been indicated that the global production network can no longer only just be an agreement between firms and must include consumers' approval and values into the agreements. Business must not forget the informal power and influence of the civil society. Companies who have high quality codes of conduct, are significantly better presented in the eyes of consumers. Because they are showing that they are ethical business throughout the entire production chain (Erwin 2010). However, even if the CSR policies intentions are to improve standards at their supplier, it is uncertain if they have improved wages. Despite the fact, that the garment industry was among the first to engage in wage standards (Ruwanpura and Wrigley 2011), it has been questioned. Discussions about if CSR activities really have the desirable impact on wages abroad or if it is mostly theoretical has grown in time. With the views that CSR is something positive in the business world, there are mixed arguments about the actual impact on wages in supplier factories. It may be true that CSR has become a part of corporate practices with the aim to be more responsible, but it cannot only be linked to positive outcomes. Even though CSR supporters might say that CSR is a form of modern business strategy that benefits both businesses and workers, other mean that CSR and its codes of conduct have had a limited impact on wage improvements. Skeptical discussions about whether ethical production has led to improvement in wage standards have grown. Studies have shown both positive and negative results on the impact of codes of conduct in improving the payment of minimum wage. Some argue that suppliers mean that codes of conducts had encouraged the payment of national minimum wages and that there is evidence that improvements regarding wages has been made due to company code of conducts (Barrientos and Smith 2007; Thomsen and Lindgreen 2014; Bartley and Egels-Zanden 2015; Ruwanpura 2015).

For suppliers to have access to the global value chain and make business with large corporations, they will have to make an effort in complying with corporations' demands regarding ethical and fair labor in their factories. As seen in Nasrullah and Rahim (2014), Islam and Deegan (2010) concluded from interviews with suppliers in Bangladesh, that code of conducts and its regular controls are the main reason to why many factory owners have improved their working conditions, in particular wages. Because it is buyers' requirement and a precondition of completing any order with them. A comment by a senior executive of a supply company in Bangladesh seen in Nassrullah and Rahim (2015, p. 151) goes: *"We have*

to sell our products and that's why we must follow certain codes of social conduct as required by the buyers". Corporation may in this way have the power to affect the practices of their supplier and force them to respect the rights of workers and pay fair wages. Despite this, Barrientos and Smith (2007) argue that codes had not led to a sufficient increase in income to guarantee living wages for the workers. They further added that the company brand still gains positive reputation by implementing and acting for CSR activities. With the reasoning that suppliers will comply with companies' requirements, it is left to wonder, if the actual power is not in the hand of consumers. Because companies need to comply with consumers' ethical demands to sell their products. Nasrullah and Rahim (2015) argued that at the least, the codes ultimately lead to better awareness about legal rights among workers regardless of their workplace choice further highlighted it. With all of the different arguments, Thiemea, Bedib and Viraa (2015) had an important reasoning saying that despite that businesses are implementing CSR policies in their outsourcing activities, the role of corporations in the global South is still very much understudied and the effects of CSR on the employees is still uncertain.

Brief information about H&M's, KappAhl's and Lindex's CSR policies

Brief information about H&M's, KappAhl's and Lindex's code of conducts regarding wages is presented below. All of the information about the companies is taken from their official webpages. For the sake of comparison and since I wonder if other brands benefit from the companies CSR efforts, I included two other garment companies, Tiger of Sweden and Whyred. These two companies don't give a clear picture of any CSR policies in their business operations or have transparency about their garment productions.

H&M

The very first store of H&M opened in 1945 in Västerås, a small Swedish town. Today there are 3600 H&M stores in 59 different markets. H&M strongly highlights the concept of sustainability at their webpage, specific on wages. They state that:

"It has always been our vision that all textile workers should be able to live on their wage. We are focusing on our strategic suppliers to start with. Our goal is that all of them should

have improved pay structures for fair living wages in place by 2018. This will affect around 850,000 textile workers”.

<http://about.hm.com/en/About/facts-about-hm/people-and-history/history.html#cm-menu>

Their 15 supplier in Asia and Europe is producing many of their products in poor countries and according to their web page; they do not see it as a bad thing rather the clothing industry creates millions of jobs in those countries. They highlight that it is often the first step to economic development for developing countries. H&M clearly states that they strive to influence possible to promote good practice and raise awareness, not only among their suppliers and their employees but throughout their entire value chain. Through their 900 suppliers they are connected to over 1600 factories and 1.6 millions of workers.

Their entire first-tier supplier is required to sign their code of conduct agreement before producing for H&M and they monitor the compliance with over 80 auditors. Even if the supplier uses a subcontractor to produce for H&M they must, even the subcontractor must comply with H&M’s codes of conduct. H&M clearly highlights that as a buyer, they have a responsibility and an opportunity to influence and contribute to better workplace conditions as well as to work to raise awareness of rights at work among both factory employees and managers. They aim for the suppliers to take more and more ownership in the production for ensuring good working conditions themselves and support them to develop management systems that will avoid noncompliance in their practice.

H&M has an entire page where they try to show their engagement about the issue of fair wages. H&M acknowledges that they have a responsibility for how their factories that produce their cloths are operating. In 2014, H&M started to implement the *Fair Wage Method* in selected role model factories, which according to them has resulted in an increase in wages, and are aiming at implementing the system at all of their supplier factories by 2018 at the latest. H&M also entered an agreement with the International Labor Organization (ILO) to work together for fair negotiations and working conditions in global garment production and tries to create supply chain transparency.

H&Ms Codes of conducts:

H&M implemented code of conducts in 1997 with the latest revision in 2009, with the idea to make their supply chain more sustainable. H&M’s Code of Conduct is based on the International Labor Organization’s (ILO) Declaration on Fundamental Principles and Rights.

H&Ms Code of Conduct covers:

- Legal requirements
- A ban on child labor
- Health and safety
- Workers' rights
- Environment:
- Systems approach
- Housing conditions
- Monitoring and enforcement

Codes regarding wages

The code regarding workers' rights shows the requirements H&M have from their suppliers and their subcontractors for improving working conditions in their operations. The suppliers are required to adopt the codes if they want to have business relationship with H&M. H&M demands that factories must work towards full compliance of the Code with regular audits through H&M's Full Audit Program, to evaluate their level of compliance.

As a background and guideline for the code regarding wages for H&M's suppliers and business partners, a quote from the Universal Declaration of Human Rights article 23:3 is on their webpage:

“Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity...”

H&M's minimum requirement is that the employers shall at least pay the legal minimum wage, the usual industry wage or the wage negotiated in a collective agreement, whichever is higher. All sorts of other legally required benefits and compensations have to be paid. Unfair deductions are not allowed, and the employee has the right to a written specification of how the wage has been calculated. The code further say that wages must be paid regularly, on time, and must reflect the experience, qualifications and performance of the employee.

KappAhl

The first KappAhl store opened in Gothenburg back in 1953. Today KappAhl has 400 stores in the Scandinavian countries and Poland. KappAhl works with around 200 suppliers both in Asia and Europe, but their main production countries are Kina, Bangladesh, India and Turkey

in which they have production offices with 140 employees that monitors supplier factories and make several inspections per year, so that their work comply with the codes.

KappAhl's website (2015) states: "the basis of our work is our code of conduct because our values and the demands that we have on our suppliers and their subcontractors is demonstrated there". Therefore, we have developed Code of Conduct for our suppliers and by signing KappAhl's General Terms, the supplier commits to working proactively to meet these requirements within its operations and its supply chain.

KappAhl's codes of conduct covers:

- Compliance with Laws
- Labor
- Working Conditions
- Environment
- Monitoring, Corrective Action and Non-Compliance
- Management system

Lindex

Lindex did also opened in 1954 in Alingsås and has around 500 shops in 18 different markets both inside and outside the European Union. Lindex is since 2007 a part of the finish stock corporate group; stockman. Lindex works with around 200 suppliers in 12 different countries. Most of the suppliers are mainly in Bangladesh, china and India. Lindex adopted code of conducts in 1997 but have since 2004 been a member of Business Social Compliance Initiative (BSCI) and adopted their codes of conduct. BSCI controls the suppliers with regular audits so that they comply with their codes of conducts. They work like a consult for Lindex, to handle and control the matter of codes of conducts overseas.

The Business Social Compliance Initiative (BSCI) is a business-driven initiative supporting retailers, importers and brands to improve working conditions in supplying factories and farms worldwide, aiming at labor protection with 11 principles in different areas:

- The Rights of Freedom of Association and Collective Bargaining
- Free remuneration

- Occupational Health and Safety
- Special protection for young workers
- No bounded labor
- Ethical Business Behavior
- Decent Working Hours
- No discrimination
- No Precarious Employment
- No child labor
- Protection of the environment

According to Lindex, by using BSCI code of conduct regarding labor they work towards improving and insuring standard working conditions and labor rights at their supplier factories with respects to the right of workers to receive fair remuneration.

Tiger of Sweden and Wyred, the Swedish garment companies with no CSR engagement

Since I show various factor of the importance of CSR awareness and highlight the fact that consumers may reflect a brands CSR efforts on other similar brands assuming that they make the same efforts, I have included two brands that do not show any CSR engagement or information online. In the case of low awareness of a brand CSR, business may allow others to benefit from their work.

Tiger of Sweden was established in 1903 in Uddevalla, Gothenburg. Today they have shops in Sweden, Denmark, Norway, Finland, Germany, Canada and South Africa as well as 1200 resellers in 18 countries around the world. The transparency in the business operations of Tiger of Sweden is very low. Their webpage did not have any information about where and how their cloths are being made and if they have suppliers. Further, nothing regarding CSR was founded at their official webpage.

According a report from clean cloths (2006), which is an alliance of organizations in 16 European countries working to ensure workers' rights in the global garment industry, Tiger of Sweden does have a policy regarding wages. The policies say that wages should be paid according countries legal minimum wages. However, Clean Cloth (2006) highlights the fact that despite regular audits, only interviews with factory owners are made and not the workers.

Whyred was established in 1999 and has around 60 stores in Sweden, Denmark, Germany, Switzerland and South Korea. Just like Tiger of Sweden, information about their garment production could not be found at their webpage.

Clean cloths (2006) report showed that, Whyred does not have a policy for social responsibilities but is planning to implement one. Today, several years later their webpage does not have any information about any commitment to CSR policies

Online communication of CSR policies related to wages at supplier factories

As one of the most global industries in the world, the apparel industry must operate in a multinational manner with varied degrees of legal involvements regarding employment regulation and employee rights. This leaves the companies with a responsibility for both legal and moral standards. CSR policies are thus a great deal about how the production, distribution, consumption and marketing of goods affect different stakeholders while the company is struggling to make a profit. Since fashion supply chain is labor-intensive, CSR within the textiles and apparel industry has a great focus on labor, fair trade as well as consumer illusion of the company regarding it. All three companies, H&M, KappAh and Lindex acknowledge that they have an important role with responsibilities in the development of a sustainable society. They show that they want to ensure the rights of the people who work at supplier factories (H&M 2016; Lindex 2016; KappAhl 2016). Based on the arguments that apparel companies' engagement in CSR gives businesses a positive reputation it is important that companies put an effort in making consumer consumers aware of it. Effective communication of CSR initiatives to customers is critical if companies want to reach the expected outcomes on their CSR investments. Even if companies are releasing their CSR practices in their annual reports, H&M, KappAhl and Lindex are also displaying their CSR policies and efforts openly through their official webpages. This is a usual method for large apparel companies to communicate their CSR practices. The internet is a practical and inexpensive way to distribute information to consumers and receive direct feedback. But one can wonder if it is effective enough to reach out to the public and not just to people searching for information about their CSR policies or just visiting their webpage in general.

I will briefly present the information that H&M, Lindex and KappAhl are presenting on their webpages regarding wage policies and requirements they have on the suppliers they work

with. The companies all highlight and promote the importance of fair working conditions through their webpage. They give detailed information about their suppliers on their webpage. H&M takes many initiatives towards fair labor at their suppliers' factories and monitors that factories are complying. H&M's minimum requirement is that the employers shall at least pay the legal minimum wage, the usual industry wage or the wage negotiated in a collective agreement, whichever is higher. All sorts of other legally required benefits and compensations have to be paid. No unfair deductions are allowed, and the employee has the right to a written specification of how the wage has been calculated. They further require that wages must be paid regularly, on time, and must reflect the experience, qualifications and performance of the employee. In their webpage, H&M says that they are committed to work with partners that share their values their goal is that all of their suppliers will have established an effective pay structure for living wages by 2018 (H&M 2016).

KappAhl has developed an agreement with requirements that the supplier has to sign and commit to for working with them. The requirements regarding wages are that suppliers should pay its employees at least the minimum or the usual industry standard wage in the country, whichever is highest. The amount should be sufficient to cover basic needs for the employee and his or her family. Wages and overtime premiums and any other rates should be paid directly to the employee on time and in full. Unfair or illegal deductions from wages or the removal of benefits are not allowed (KappAhl 2016). The BSCI works as a consultant for Lindex, that controls their suppliers with regular audits to see if they comply with their codes of conduct and pay at least the standard minimum wage. According to Lindex, by using BSCI code of conduct they are insuring standard wages at their supplier factories. Despite the fact that they have hired a consultant to manage their codes of conduct and monitor wages, Lindex highlights on their webpage that they are actively working towards fair wages and that their suppliers are compelled to respect and pay fair wages to get orders (Lindex 2016).

Out of the three companies, H&M had a more detailed presentation of their CSR work regarding wages, it also was very easy to find because it was very visible.

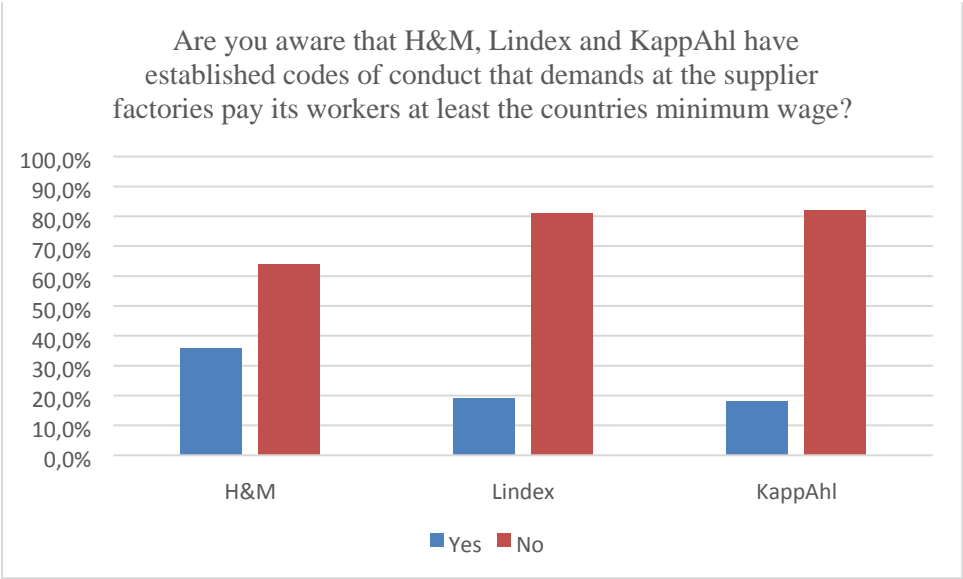
None of the one of the companies had inquired or in any way given the impression that they are willing to regularly send information to consumers about their CSR work. The companies' webpage gave a clear picture of their CSR work but for those who visit their webpage looking for CSR information.

4. Findings

Survey results

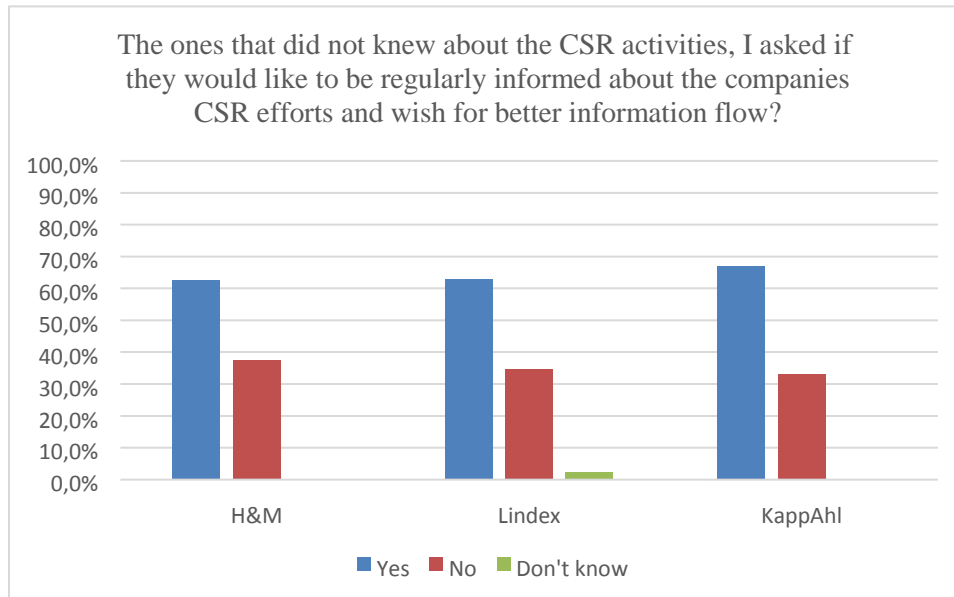
I wanted to find out if people have any knowledge of the work that these three companies are making to prevent low and unfair wages at their supplier factories and if this had any impact on their purchase of the brands. This was done through a survey where I asked 100 random persons and the results are shown below:

1.



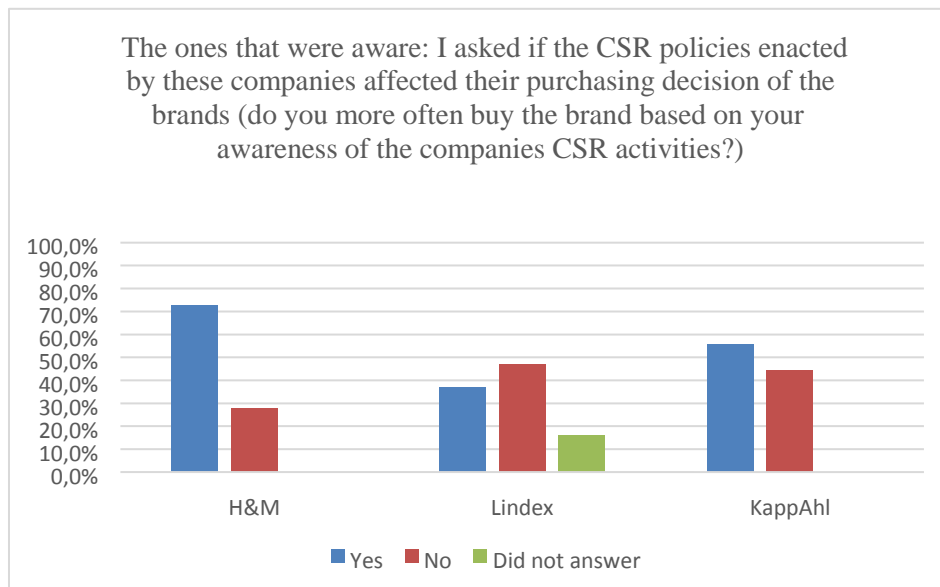
In total out of the total 100 persons that I asked, 75.5% were not aware that these companies had established CSR policies about wages. Only 24.5 % knew which shows the lack of awareness. Based on the chart the awareness about companies CSR is low. Consumers CSR awareness about H&M wages abroad was nearly twice more than the other two brands. But, no significant difference between KappAhl’s and Lindex’s CSR awareness was shown.

1.1



In total, 64.5 % out of the ones that did know would like to have information about it. This shows the desire for knowledge about the companies CSR involvement regarding wages. No significant differences between the companies were showed in this question. It is important to remember that consumer might change behavior and become more ethical in the future.

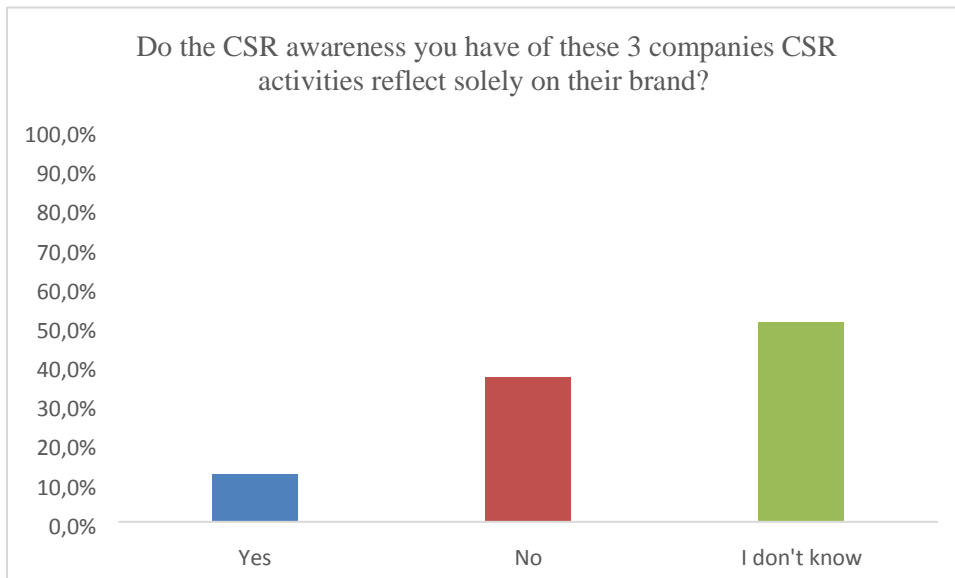
1.2



In total, the ones that had the awareness, 59% were influenced positively in their purchase choices; this implies that the knowledge of CSR efforts affects companies' sales. All three companies were effected positively, but a difference between the companies was that the

number of consumers that purchased from Lindex due to their CSR policies was less than they one that did were not affected.

2.



Nearly 90% out of the participants did not know that H&M's, KappAh's and Lindex's CSR policies only apply to them and not to other similar companies. Many were confused and answered I don't know. H&M, KappAhl and Lindex need to mark their CSR work for being able to use it as a competitive advantage and attract customers. This is particularly important for H&M since awareness about their CSR action were higher than KappAhl's and Lindex's.

5. Conclusion

Because of the media scandal H&M, KappAhl and Lindex adopted CSR policies regarding fair wages in their outsourcing activities. In this way, they could show consumers their responsible actions. Many may still consider CSR as solely a helpful action towards society but different views have arisen about it. CSR has been explained as a shift from corporate obligations to strategy and by engaging in CSR, corporations look better and live longer. In this paper, it is highlighted that the adoption of CSR works as a strategic tool that is seen as a resource with great reputational benefits for the adopting company's brand. This positive reputation generated from CSR efforts can turn in to financial asset for business, because a brand's positive and ethical reputation has been argued to attract customers. Therefore, this has been highlighted as an important motive for their engagement in CSR. For companies to benefit from the desirable results it is very important that this CSR engagement is communicated to consumer. Despite the fact that CSR within the textiles industry has put great focus on ethical and fair labor use and consumer illusion of the ethical nature of the brand ethicality (Gaskill-Fox, Hyllegard and Olge 2014) awareness about it seems to be low. Consumer CSR awareness, according to Pomeroy and Dolnicar (2009) has not been sufficient in many different sectors and better information flow is needed.

Based on the answers from my questionnaire I can agree that CSR awareness regarding wages is low. Majority of the participants did not even know that H&M, KappAhl and Lindex have CSR policies regarding wages at their supplier factories. More effective information flow seems to be necessary for the companies to benefit from the outcomes of their CSR efforts. This is because for consumers to be rewarding towards a brand, they need to be aware of it. Otherwise, as Hawkins (2015) said, the expected effect of CSR initiatives on consumers is only theoretical. Brands CSR knowledge is important for consumers in general and not only the ones that value a brand's ethicality. Because as Hawkins (2015) and Cudjoe and Anim (2015) argued, even if consumers are not always rewarding of a company's CSR status, they might become more ethical in the future and choose a brand with an ethical reputation. This is in particular important for H&M, KappAhl and Lindex, because these companies have been connected to unethical practices and need to raise this new ethical reputation among consumers

My questionnaire showed that the purchasing decisions of the majority of consumers that knew about the CSR policies were affected to the advantage of the companies. Based on that,

I can conclude that CSR awareness has a positive impact on consumers purchase. Because this is in consist with the many arguments in the theoretical part of my paper saying that a company's CSR activity impacts costumers purchasing decision and that consumers reward the brand name for its CSR activities through their purchase intentions (Bhattacharya, Korschun and Sen 2009; Drew 2010; Hur, Kim and Woo 2013; Cudjoe and Anim 2015. This strength the importance of CSR awareness more and shows the power that CSR awareness have for the companies. Yet, due to my face to face interaction with the participants, the possibility for dishonest answers from them is important to take into consideration. Because people might have been uncomfortable admitting that a brands ethicality and fairness do not affect their purchasing decision.

The majority of the participants that did not know about the CSR efforts would like to have more information about the companies CSR efforts. According to Hawkins (2015) and Cudjoe and Anim (2015) consumers want a business to be socially responsible and receive information about their CSR work. This implies that Swedish companies' activities and fairness abroad is important for consumers. I can agree with Hawkins 2015 saying that even if purchasing choices are not always influenced by a company's CSR status, consumers still want a business to be socially responsible and would like their CSR actions to be visible. The awareness of a company's CSR work may have a positive impact on them even if they currently do not purchase their cloths. Since H&M, KappAh and Lindex are being responsible in their outsourcing activities abroad greater awareness about it would be an advantage for them. H&M, KappAhl and Lindex that are communicating their CSR through their webpages need to put more effort in a more effective information flow regarding it. Even here, this is important because as noted by Cudjoe and Anim (2015), consumers may become more ethically in the future and change purchasing behavior. The possibility for dishonest answers in the questionnaire must be considered here as well due to the face to face interviews. Because people might feel like they need to answer in line with what is considered "appropriate", when they perhaps do not have any interest for CSR information.

Out of the participants, 12% thought that the information they had only applied to the specific brand in question and did not assumed that other fashion brands with similar market position have the same situation. This shows that other companies regardless of their own policies may "free-ride" on responsible businesses effort and letting people believe that they have the same policies in their business activities abroad. This matters because as Gaskill-Fox, Hyllegard

and Olge (2014) observed, consumers do not always separate between companies' products in the textile industry. For these companies to individually get credit for their "doing good" and stand out they have to mark their work and the degree of it to their brand. This is in particular important because the notion of ethical trade is becoming greater and as mentioned consumers may become more ethical and changes their purchasing behavior in the future.

Therefore, awareness about brands CSR efforts can have significant role in shaping consumer behavior and attitude towards it. This will also protect them against possible negative reputation of others that may reflect on them. Meaning that companies like H&M, KappAhl and Lindex that have responsible policies regarding wages at supplier factories will be seen as the ones that do not have. Effective communication about the companies work in outsourcing activities is beneficial for the companies because the lack of knowledge was obvious in my survey. Overall, participants seem to have better knowledge about H&M's policy regarding wages at their supplier factories. I myself, thought that finding information about H&M's policies was more visible and easier to find. H&M had really put an effort in making their CSR policies a central matter in their website. H&M had a long and thorough presentation about wages and fairness in their business operation overseas and made their business activities very visible for the public. Information about their codes of conduct and supplier was easy to find in comparison to KappAhl's and Lindex's. From the result of my questionnaire, I can conclude that this may have had an impact, since consumers' awareness about H&M's policies was higher than the other companies. Lindex and KappAhl did however have a section about CSR policies in general but not as direct and visible as H&M on wages at their supplier factories. The actual collection of my survey question was much more time demanding and difficult than I expected. People were often unwilling to stop and answered because of the lack of time and interest, some even said, "I don't care". However, many of the ones that participated showed a clear interest about the subject, but again, if their answers were honest is unclear. Companies must not forget that in order for them to benefit from their CSR engagement consumer need to be aware of it and have a more effective communication to consumers about it.

Future research

Consumer power to impact companies' activities has been shown to be a dominant factor. It has been argued that suppliers will comply with companies' requirements to get orders from them, companies in their turn need to comply with consumers' demands to sell their products. Since, scholars have different arguments about the impacts that these demanded wage policies have on worker, it is interesting to investigate it more deeply. Further, for knowledge about the impacts more audits may be needed. It may then be interesting to investigate if consumers demand for more audits at the supplier factories exist.

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