

Ethical Aspects Concerning Inditex's Business Practices

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Abstract: *Fast fashion has boomed as an industry over the last few years. Little do people know though about the negative impact it has on our planet. The article presents the results of an online conducted survey, that aims to discover people's buying habits and perception of this industry, with main focus on the ethical issues around one particular company - Inditex. The results show that people have the will to make a change, but it takes some educational effort and probably some time. Although most of the respondents (90%) still buy from brands owned by Inditex, a great percentage of 68% are willing to give local brands a chance. The study offers an overview of the fast fashion consumer behaviour and the importance assigned to ethical aspects, in hope that it encourages people to be part of the change.*

Keywords: *fast fashion; business ethics; applied ethics; Inditex.*

1. Introduction

We live in a culture of consumerism. Everything happens so fast, that we don't realize the impact it has on the world. But sometimes investigations reveal the dark side of this culture. In "The new black book of corporations", Klaus-Werner and Hans Weiss detail the less known ethical issues in the activity of many multinational corporations.

The fast fashion industry is one of the worst, being responsible for 10% of all carbon emissions globally. Because of the poor quality and the rapidly changing trends, the lifespan of fast fashion is nonexistent. The clothes are treated like disposable pieces, usually ending up in landfills. And everything comes with a price. The increased carbon footprint, the large consumption of water and the enormous waste led to a growth in the number of natural disasters and disease.

Furthermore, there is a question that fast fashion retailers prefer to avoid: ``who makes the clothes?``. In order to keep production costs low and to increase the rate of production, these giants outsource parts of the production process to Third World Countries, where the lack of laws and regulations allow them to pay lower wages to workers and to pressure these into meeting unreasonable deadlines. Moreover, labor standards are so low that they lean towards exploitation, sometimes even of children (child labor).

Inditex, owner of the brands Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho and Zara Home, is one of the world's largest (fast) fashion retailers. Targeting various types of consumers with the multitude and the diversity of its brands, alongside sales, promotions and hard to resist prices, the company sure knows how to ensure its way to people's closets.

As a response to the rising concern for environmental issues, the Spanish group invests in strong PR and several campaigns aimed to promote its efforts to be more sustainable. But truth is, a fast fashion company can't be sustainable by definition. Therefore, the theme addressed in this article is sadly a very present one in today's reality.

The study aims to discover peoples' perceptions of the company and of its ethical issues, as well as to identify their buying habits when it comes to clothing.

2. Research methods

The method used for this research is a questionnaire-based survey. The survey gathered a total number of 60 respondents in 4 weeks and was

conducted online, mostly due to its convenience and efficiency. Chelcea (2001, p. 177) defines the questionnaire as “a technique, and correspondingly a research tool, consisting of a set of written questions and perhaps graphic images, arranged in a logical and psychological order, which administered by operators or by self-administration determine answers from respondents, answers that are to be recorded [in writing].”

The objective of the survey is to find out the extent to which people acknowledge the ethical issues of fast fashion and how willing they are to change their behaviour as consumers who play a part in the market mechanism by buying certain goods.

3. Results

The results of the survey show that nearly all the respondents (90%) buy clothes from brands that belong to Inditex, although the frequency of purchase varies from one brand to another. Some of the reasons behind this habit are the clothing style, the accessible locations and the cheap prices (all in equal percentage of ~30%). Other reasons are the desire to keep up with the trends (18%) and the brand loyalty (only 3%).

However, the people who participated in the survey have also noticed some less pleasant aspects when buying from Inditex’s brands, such as the mass effect (31%) and the poor quality of the products (26%). 9% of the respondents consider ethical issues a good enough reason not to buy from these brands anymore.

Ethical and environmental issues are generally important for the majority of the questioned people (38%), for some even very important (43%). Either way, only half of the respondents try to find out more about the history and the values of a company before making a purchase and just about the same percentage (55%) knew about Inditex’s ethical issues. What triggers people the most is apparently child labour (63%).

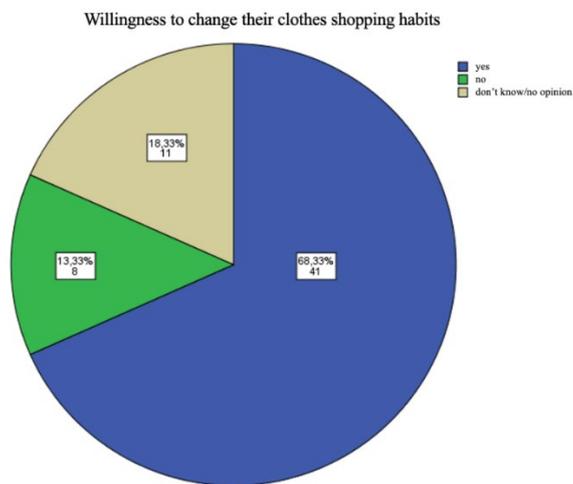


Fig. 1

Most people who were part of the survey are willing to change their buying habits when it comes to clothes (68%), but they hardly know any local, sustainable brands. There are also factors that could determine them to look the other way: low prices (43%), spreading and location of the stores (25%), the “I can’t change much about it anyway” mentality (17%) and the distance to the third world countries (15%).

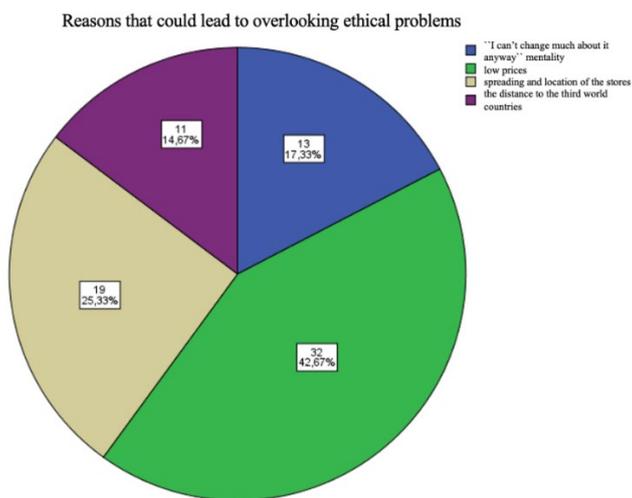


Fig. 2

If they were to choose local brands, the reasons for their choice would be the high quality of the materials (24%), the wish to support local business owners (19%), the unique pieces (17%), the adjusted sizes (16%), the attention to details (14%), and the ethical reasons (10%).

The respondents live mainly in urban areas (80%) and have an average income of 2,000-3,000 lei (42%) or 1,000-2,000 lei (23%). 87% of them are women, aged 18-25 (92%) or 26-35 (8%).

3. Expert sources consulted

The topic addressed in this paper is part of the business ethics field. Business ethics is “a particular form of applied ethics, a set of rules and moral norms concerning the conduct of traders in the economic activity, both at an individual and at a collective level” (Bădescu, 2014: 79).

Although it used to be believed that ethics and business cannot go hand in hand, the general perception of the business environment has significantly improved lately. Even corporations had to adapt to a growing concern about the welfare of the planet and its inhabitants. New concepts have appeared, revolutionising the way people do business. Corporate social responsibility (CSR) is such a new concept and it refers to the “set of actions, principles and practices through which a company engages in the society in order to ensure a positive impact of its activity and to contribute to the development of that society” (Ștefana, 2012).

Still, there are many issues that have to be fixed within the business world and labour conditions in the fast fashion industry is one of them. When speaking about the ethical issues that Inditex and other similar companies refuse to address, we refer to low wages, long hours, child labour, insanitary conditions, and the undermining of factory standards.

Conclusion

Not only should customers be aware of the business practices of these big corporations (including Inditex), but they must also take action and

change their buying habits. Some brands, such as Zara, have started to make little improvements, e.g. launching sustainable collections with clothes made out of recycled materials, but that must be just the beginning.

Following the study, it can be agreed that people have the potential to start the “revolution” in the fashion industry themselves. It only takes some research to find out how ethical a company actually is and to find alternatives, preferably on the local market.

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