

Chapter 6

Purchase Intention of Sustainable Fashion: The Relationship With Price

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ABSTRACT

In today's world, the idea of sustainable fashion is gaining traction. Finding a link between pricing and the purchase of sustainable clothes is the aim of this study. Regression models and t-tests of two independent samples (two-tailed tests) were applied by means of the application of a questionnaire. The study found that consumers' willingness to pay for price increases is related with non-linear (quadratic or exponential) product pricing. The results of this study suggest that consumers are willing to pay higher prices for sustainable clothing. Through an understanding of the relationship between price and consumer behavior, businesses can more effectively align their pricing strategies with the demands of environmentally conscious consumers.

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1. INTRODUCTION

The growing awareness of environmental and social concerns in the fashion industry has brought considerable attention to the idea of sustainable fashion in recent years. One way to lessen the fashion industry's negative environmental effects is through sustainable fashion, which is one of the most polluting sectors of the global economy. The fashion industry needs to comprehend customer perceptions of sustainable fashion and the influence of pricing on sustainable fashion purchases to progress towards sustainability (Dropulić & Krupka, 2020). Recognizing and responding to consumer attitudes towards sustainable fashion and the impact of pricing on their purchasing decisions is essential for the industry to make progress towards sustainability. By taking these factors into account and responding to them, fashion brands can make informed decisions that not only benefit the environment but also appeal to their target market. This move towards sustainable fashion is not just a trend, but a necessary step towards creating a more ethical and environmentally conscious industry. While sustainable fashion is important for reducing environmental impact, it may not be enough to address all of the industry's issues, such as labor exploitation and overconsumption. Additionally, focusing solely on customer perceptions and pricing may overlook other crucial factors in achieving true sustainability in the fashion industry. Some of these factors include supply chain transparency, fair labor practices, and the use of eco-friendly materials. Without addressing these aspects, the fashion industry may struggle to make significant progress towards sustainability. Industry stakeholders must consider a holistic approach to sustainability that encompasses all aspects of production and consumption, not just customer perceptions and pricing strategies. By taking a comprehensive approach, the fashion industry can truly make a positive impact on both the environment and society as a whole. Nevertheless, a specific and unambiguous definition of sustainable fashion is required, particularly concerning consumer behavior (C. F. Morais et al., 2023). Additionally, for a variety of reasons, sustainable fashion is typically priced higher than traditional fashion (Haines & Lee, 2022). The cost of producing organic and natural materials like cotton, linen, or silk is higher than that of producing synthetic materials like polyester. Additionally driving up costs are investments made by sustainable fashion brands in premium materials and production techniques. Costs associated with sustainable fashion are also higher due to fair trade practices, which guarantee workers' rights to fair wages and moral working conditions (Goworek, 2011; Shaw et al., 2006). Yet, compared to fast fashion alternatives, sustainable fashion items may be more high-quality and long-lasting, which could eventually translate into a reduced price per wear. Prices are also anticipated to decrease as more brands use eco-friendly procedures and technology in response to the growing consumer demand for sustainable fashion. It is becoming more and more crucial to transform into a purpose-driven brand or business that understands the significance of creating value beyond profit to win over customers and prevent reputational harm (Rolland, 2023).

Prior studies have looked at a variety of criteria, including social responsibility, product quality, and brand reputation, that affect consumers' decisions to buy sustainable fashion. Nevertheless, little research has been done on how much price matters when making decisions, particularly how price affects consumers' decisions between conventional and sustainable fashion. This study attempts to close this knowledge gap by investigating the relationship between price and the decision to purchase sustainable fashion. There is also a strong link between the elements of sustainable fashion and the perceived value that customers place on them. This study aims to shed light on customers' price sensitivity toward sustainable fashion and determine the ideal price range for incentivizing purchases of sustainable clothing.

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