

Topic LO1: Do Sustainability Concerns Alter Customer Preferences in MTO Fashion?

In today's fast fashion industry, a new trend has emerged: mass customization. A proper fit, which could be guaranteed by MTO production, is especially important for jeans or suit pants. Yet, are customers willing to wait for customized MTO fashion products, which demand higher waiting yet promise a tailored fit? Deloitte (2019, p.7) claims that 48% of customers are willing to wait longer for a personalized product or service in general, which also favors mass customization in fashion. Besides a proper fit, MTO fashion production further reduces unnecessary waste. The abundance of waste created by unsold inventory and overproduction has triggered a rethinking of the fast fashion principles. Can sustainability concerns hence significantly impact the customers' willingness to wait for MTO production by confronting customers with the negative environmental impact of fast fashion? How do customer preferences concerning certain attributes change when awareness for environmental effects is raised?

This master thesis focuses on conducting a Conjoint Analysis to discover how customers in the fashion industry evaluate the aforementioned trade-off of waiting time and customization combined with sustainability concerns. Therefore, two designs should be tested in the Conjoint Analysis: the base case only considers the trade-off between customization and speed (McCutcheon et al., 1994), among other crucial factors influencing the decision, whereas the extended case presents the respondents further information on the negative effects of fast fashion. A literature review should be conducted previously to prepare for the implementation, including among others a discussion of the fast fashion business model and its environmental impacts. In the end, the thesis should summarize the findings and provide guidance for practitioners to evaluate the importance of this trade-off in this area.

The objectives of this thesis are to:

- provide the theoretical foundation for conjoint-based consumer response measurement and conduct a literature review of existing works on the trade-off that consumers and sellers make with regard to responsiveness and customization;
- discuss the fast fashion business model and its performance with regard to responsiveness, customization and environmental sustainability, and develop hypotheses on how sustainability concerns might affect overall consumer purchase behavior;
- conduct a Conjoint Analysis using Sawtooth to evaluate the trade-off of waiting time and customization by manipulating the presented information on sustainability concerns of fast fashion;
- and give recommendations to practitioners (from the fashion industry and comparable industries) on this trade-off and how to improve their service offering based on the findings.

Basic Literature:

McCutcheon, D. M., Raturi, A. S., & Meredith, J. R. (1994). The customization-responsiveness squeeze. *Sloan Management Review*, 35(2), 89-99.

Ciasullo M.V., Maione G., Torre C., Troisi O. (2017). What about Sustainability? An Empirical Analysis of Consumers' Purchasing Behavior in Fashion Context. *Sustainability*, 9(9), 1617

Caro, F., & Martínez-de-Albéniz, V. (2015). Fast Fashion: Business Model Overview and Research Opportunities. In: Agrawal, N., Smith, S. (eds) Retail Supply Chain Management. International Series in Operations Research & Management Science, vol 223. Springer, Boston, MA.

Long, X., & Nasiry, J. (2022). Sustainability in the Fast Fashion Industry. *Manufacturing & Service Operations Management* 24(3):1276-1293.

Further references:

Deloitte (2019). The Consumer Review. Made-to-order: The rise of mass personalization. URL: <https://www2.deloitte.com/ch/en/pages/consumer-business/articles/made-to-order-the-rise-of-mass-personalisation.html>