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Final Thesis

**Modern urgencies creating a market advantage:  
sustainable business models in the fashion industry**

A Patagonia Case Study

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“We have a finite environment—the planet. Anyone who thinks that you can have infinite growth in a finite environment is either a madman or an economist”

*David Attenborough*



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## Introduction

The fashion industry is well-known for its creativity, innovation, and influence on global culture. However, its rapid growth and uncontrolled production practices have raised concerns about its environmental and social impacts, making it the most “polluting sector globally, immediately after the petroleum industry”. (Woodside & Fine, 2019). The industry “is responsible for the consumption of 79 billion cubic meters of water (about 20% of global water consumption), the emission of 1.7 billion tons of CO<sub>2</sub> (about 10% of the global CO<sub>2</sub> emissions), and the production of 92 million tons of textile waste” (Abbate et. al.2023) per year, leading to growing demand for more sustainable practices and actions for present and future generations to come.

Despite increasing awareness among fashion industry stakeholders on sustainability issues, significant challenges persist in implementing sustainable practices across fashion brands’ business models. According to Ruggerio, “Sustainability is conceptualized by applying definitions according to the school of thought assumed, ranging from the weak and very weak sustainability approach to the strong and very strong sustainability approach...”. Moreover, “For the adherents of the very strong sustainability approach, the subject of sustainability is nature, and, so, the priority is the conservation of its attributes... On the other hand, for the followers of the very weak sustainability approach, the focus is centered on the sustainment of economic systems relegating nature to a role of supplier of natural resources, ecosystem services, and the pool of the residues generated by the human activity.” There is an acknowledgment on how “sustainability can only be meaningful if it is applied to a geographic range” (Ruggerio, 2021). This latter definitions introduce our research aims, which are to explore the current state of sustainability in the fashion industry, identify barriers to its adoption, and assess the effectiveness of existing business models (BMs), defined as the “value logic of an organization in terms of how it creates and captures customer value and can be concisely represented by an interrelated set of elements that address the customer, value proposition, organizational architecture and economics dimensions.” (Fielt, 2014). In a more detailed academic view “A BM describes how a company creates, captures, and distributes value for its customers and, in general, its stakeholders (Dal Mas et. al., 2018). In this current paper contribution we seek to identify BMs that inherently promote sustainability and environmentalism.



In response to the aforementioned challenges, the concept of sustainability has gained popularity within the fashion industry as an efficient yet consistent remedy. Sustainability in fashion goes beyond the simple adoption of eco-friendly materials or the implementation of recycling programs. Rather, it encompasses a holistic approach that aims to address the industry's unsustainable current status. Modern urgencies made clear that there is the need to reduce carbon emissions, minimize water usage, promote fair labor practices, support local communities, and embrace circular economy principles, but very few fashion leaders commit in such practices. With this study we aim to identify the market advantages embraced by those who implement a sustainable business model, defined as a business model that “helps describing, analyzing, managing, and communicating (i) a company’s sustainable value proposition to its customers, and all other stakeholders, (ii) how it creates and delivers this value, (iii) and how it captures economic value while maintaining or regenerating natural, social, and economic capital beyond its organizational boundaries.” (Schaltegger et. al., 2016). Moreover, we seek to investigate how the promotion of environmentalism over consumerism is increasing companies’ chances to gain customer loyalty and brand differentiation. Therefore, the first research question is structured as follows:

**RQ1** → Considering modern urgencies, how the adoption of sustainable business models in the fashion industry contribute to brand differentiation and customer loyalty?

In our intention to investigate major sustainable models in the fashion industry, we tried to dig deeper into their structure and traits, in order to understand their efficiency inside and outside the companies that choose to implement them as their leading business model. With regard to the latter aspect, this academic contribution is engaged in the discovery of key drivers that are influencing a sustainable adoption, that may be reinforcing the first research question proposed.

Moreover, there is the need to investigate major barriers that are preventing fashion brands to implement a sustainable business model, contributing to the increased pollution produced in the fashion industry sector. Therefore, the second research question is structured as follows:

**RQ2** → What are the key drivers and barriers to the integration of sustainability into the business models of fashion companies?

To address the previously mentioned research questions, the following paper will provide a rigorous and structured literature review in chapter number one. The aim of the first chapter is to systematically search and evaluate relevant literature, highlighting key themes and gaps discovered during our analysis. The systematic literature review seeks to demonstrate an understanding of the evolution of common trends in the field of fashion, critically assessing the methodological approaches employed in various studies. To do that, we are going to propose a structured analytical framework composed of fifteen distinct nodes, each of which will deeply investigate a specific trait of the sampled academic contributions selected as the foundation of our study.

To further enrich the purpose of our contribution, we enhanced our investigation with a case study in the second chapter, treating the unparalleled activism of Patagonia brand, chosen as a leader of sustainable practices in the fashion industry modern era. This second chapter will provide an extensive overview of the company's sustainable business structure and market behaviors, providing a re-defined business model built in parallel with the development of our case study investigations. The added value of the introduced case study is given by the valuable contribution of Mrs. Gigliola Battocchio, holding the role of "Retail Environment & Marketing" at Patagonia Montebelluna store in the Italian Veneto region. The mediation with this professional from the field of fashion is developed through a semi-structured interview in which Mrs. Battocchio is going to address common themes and trends arisen from the literature review of chapter number one.



# **Chapter 1: The Fashion industry and the adoption of Sustainable Business Models: A structured literature review**

## **1.1. Methodology**

The paper we are presenting relies on a structured literature review within the academic context, to provide a comprehensive synthesis and analysis of existing scholarly articles on the specific topic of “Sustainable adoptions in the fashion industry”. The aim is to present a systematic search and evaluation of relevant literature, presenting key themes, debates, and gaps in knowledge found during analysis. The review wants to demonstrate an understanding of the evolution of ideas in the field, critically assessing methodological approaches employed in various studies and identify common trends. Moreover, the paper will highlight an analytical framework in the next pages, deepening the research and offering insights that contribute to the ongoing academic discourse. The goal is to provide a foundation for our own developed research questions that we are presenting in the next lines.

### **1.1.1. Literature review protocol and Research Questions definition**

This academic work is set to satisfy a pillar of the research field and offer the possibility to lean on solid data that are replicable and reliable for future studies. To consider the paper replicable we must obtain measurements run “with stated precision by a different team using the same measurement procedure, the same measuring system, under the same operating conditions, in the same or a different location on multiple trials.” (Plesser, 2018). Therefore, such systematic review is guiding this paper to examines two different yet interconnected research questions:

**RQ1** → Considering modern urgencies, how the adoption of sustainable business models in the fashion industry contribute to brand differentiation and customer loyalty?

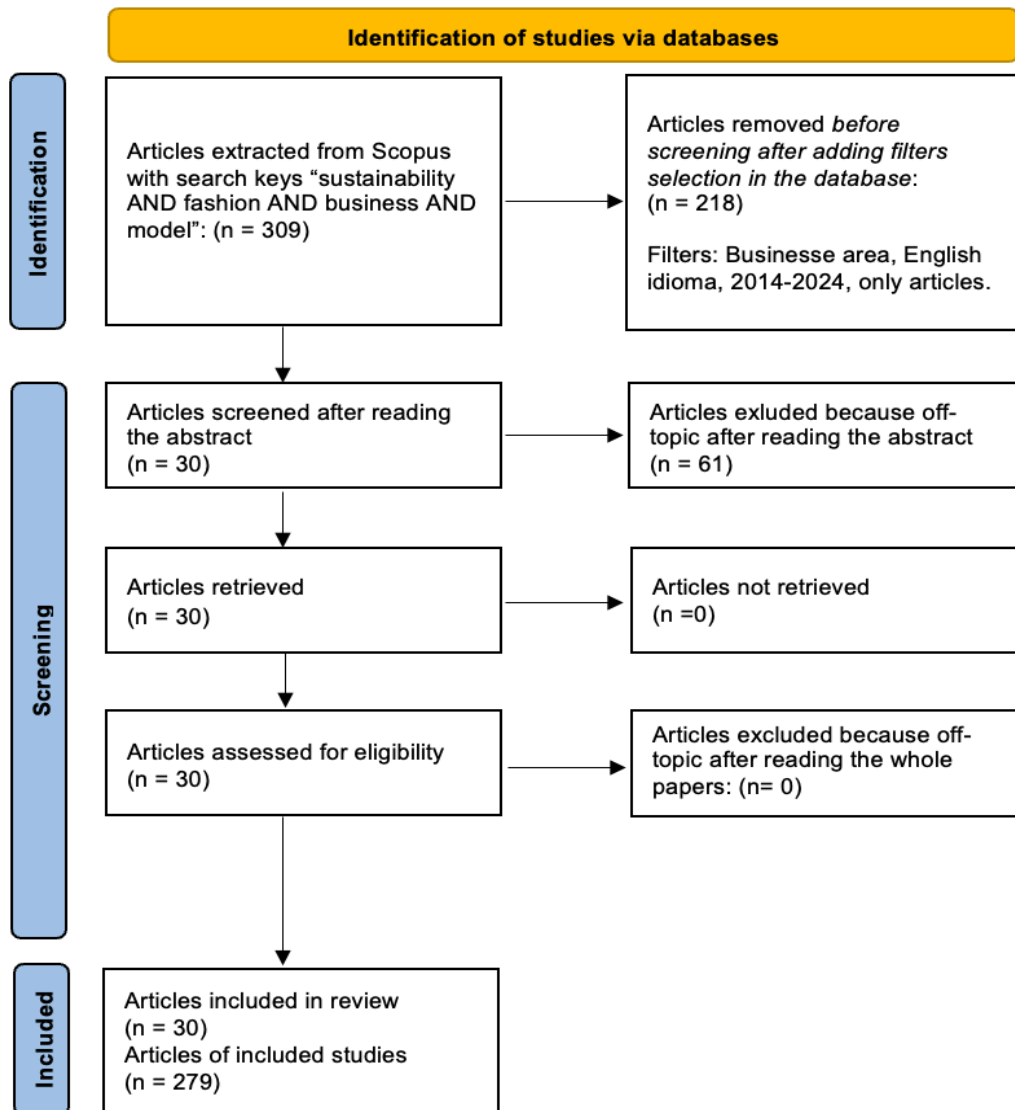
**RQ2** → What are the key drivers and barriers to the integration of sustainability into the business models of fashion companies?

### **1.1.2. Determination of comprehensive literature research and the type of studies**

With the assistance of Scopus database, we found peer-reviewed contribution that built the foundations of the present paper. Our research was first conducted on February the 7<sup>th</sup>, 2024. Research keys selected for the database overlook were “sustainability AND fashion AND business

AND model” that presented any correspondence in Articles’ titles, abstracts or keywords. We also applied some limitations to the filters of the research to find only article documents from the business subject area, written in English idiom and published between 2014 and 2024. The Research without filters contributed to 309 matches, which have dropped to 91 selectable articles after applying the latter filters. From the 91 retrieved correspondences, 61 articles have been considered off-topic for the aim of our research question after consulting each abstract. Of 30 screened articles, all of them have been retrieved and assessed eligible for the foundations of this paper. Knowing how the fashion industry is contributing to the highest levels of pollution, this paper contributes to analyze all available alternatives given from the scientific literature to overcome such issue, with a proper customer-centric long-term vision. The following Figure 1.1. highlights the selection process.

**Fig. 1.1. Process of article selection following the PRISMA methodology**



Source: our elaboration (2024)

## 1.2. Results

The following table (Tab 1.1. Bibliographic details of the included Articles.) list all the articles present in the literature review extrapolated from the fashion industry studies and analysis. Our analysis range took into consideration the last decade of peer-reviewed studies. As 60% of the total sample of articles (n=18) were published after 2020, we can highlight a constantly growing contribution in the fashion sustainability field even if the distribution of such interest seems to be homogeneously distributed in the last 10 years.

**Tab. 1.1. Bibliographic details of the included Articles.**

N.	Authors	Title	Year	Source title	Reference
1	Abbate S.; Centobelli P.; Cerchione R.	From Fast to Slow: An Exploratory Analysis of Circular Business Models in the Italian Apparel Industry	2023	International Journal of Production Economics	(Abbate et al., 2023)
2	Holtström J.; Bjellerup C.; Eriksson J.	Business model development for sustainable apparel consumption: The case of Houdini Sportswear	2019	Journal of Strategy and Management	(Holtström et al., 2019)
3	Puspita H.; Chae H.	An explorative study and comparison between companies' and customers' perspectives in the sustainable fashion industry	2021	Journal of Global Fashion Marketing	(Puspita & Chae, 2021)
4	Pedersen E.R.G.; Earley R.; Andersen K.R.	From singular to plural: exploring organisational complexities and circular business model design	2019	Journal of Fashion Marketing and Management	(Pedersen et al., 2019)

5	Pedersen E.R.G.; Netter S.	Collaborative consumption: Business model opportunities and barriers for fashion libraries	2015	Journal of Fashion Marketing and Management	(Pedersen & Netter, 2015)
6	Colucci M.; Vecchi A.	Close the loop: Evidence on the implementation of the circular economy from the Italian fashion industry	2021	Business Strategy and the Environment	(Colucci & Vecchi, 2021)
7	Hellström D.; Olsson J.	Let's go thrift shopping: Exploring circular business model innovation in fashion retail	2024	Technological Forecasting and Social Change	(Hellström & Olsson, 2024)
8	Di Benedetto C.A.	Corporate social responsibility as an emerging business model in fashion marketing	2017	Journal of Global Fashion Marketing	(Di Benedetto, 2017)
9	Huynh P.H.	"Enabling circular business models in the fashion industry: the role of digital innovation"	2022	International Journal of Productivity and Performance Management	(Huynh, 2022)
10	De Bruyne M.-J.; Verleye K.	Realizing the economic and circular potential of sharing business models by engaging consumers	2023	Journal of Service Management	(De Bruyne & Verleye, 2023)

11	Elf P.; Werner A.; Black S.	Advancing the circular economy through dynamic capabilities and extended customer engagement: Insights from small sustainable fashion enterprises in the UK	2022	Business Strategy and the Environment	(Elf et al., 2022)
12	Wei X.; Jung S.	Benefit appeals and perceived corporate hypocrisy: implications for the CSR performance of fast fashion brands	2022	Journal of Product and Brand Management	(Wei & Jung, 2022)
13	Pedersen E.R.G.; Andersen K.R.	Sustainability innovators and anchor draggers: A global expert study on sustainable fashion	2015	Journal of Fashion Marketing and Management	(Pedersen & Andersen, 2015)
14	Armstrong C.M.; Niinimäki K.; Kujala S.; Karell E.; Lang C.	Sustainable product-service systems for clothing: Exploring consumer perceptions of consumption alternatives in Finland	2015	Journal of Cleaner Production	(Armstrong et al., 2015))
15	Dragomir V.D.; Dumitru M.	Practical solutions for circular business models in the fashion industry	2022	Cleaner Logistics and Supply Chain	(Dragomir & Dumitru, 2022)



16	Li L.	Fast fashion: business models and strategies for adapting to the COVID-19 crisis	2023	Journal of Fashion Marketing and Management	(Li, 2023)
17	Musova Z.; Musa H.; Drugdova J.; Lazaroiu G.; Alayasa J.	Consumer attitudes towards new circular models in the fashion industry	2021	Journal of Competitiveness	(Musova et al., 2021)
18	Wang H.; Liu H.; Kim S.J.; Kim K.H.	Sustainable fashion index model and its implication	2019	Journal of Business Research	(Wang et al., 2019)
19	Wong D.T.W.; Ngai E.W.T.	Economic, organizational, and environmental capabilities for business sustainability competence: Findings from case studies in the fashion business	2021	Journal of Business Research	(Wong & Ngai, 2021)
20	Campos Franco J.; Hussain D.; McColl R.	Luxury fashion and sustainability: looking good together	2020	Journal of Business Strategy	(Campos et al., 2020)
21	Mukendi A.; Henninger C.E.	Exploring the spectrum of fashion rental	2020	Journal of Fashion Marketing and Management	(Mukendi & Henninger, 2020)

22	Todeschini B.V.; Cortimiglia M.N.; Callegaro-de-Menezes D.; Ghezzi A.	Innovative and sustainable business models in the fashion industry: Entrepreneurial drivers, opportunities, and challenges	2017	Business Horizons	(Todeschini et al., 2017)
23	Meshram K.; Bhakoo V.; Bove L.L.	Building and sustaining an anti-slavery business model: a tale of two fashion brands	2021	Journal of Strategic Marketing	(Meshram et al., 2021)
24	Jin B.E.; Shin D.C.	The power of 4th industrial revolution in the fashion industry: what, why, and how has the industry changed?	2021	Fashion and Textiles	(Jin & Shin, 2021)
25	Ciasullo M.V.; Castellani P.; Rossato C.; Troisi O.	Sustainable business model innovation. "Progetto Quid" as an exploratory case study	2019	Sinergie	(Ciasullo et al., 2019)
26	Ly B.	Competitive advantage and internationalization of a circular economy model in apparel multinationals	2021	Cogent Business and Management	(Ly, 2021)
27	Kong H.M.; Ko E.; Chae H.; Mattila P.	Understanding fashion consumers' attitude and behavioral intention toward sustainable fashion products:	2016	Journal of Global Fashion Marketing	(Kong et al., 2016)

		Focus on sustainable knowledge sources and knowledge types			
28	Pedersen E.R.G.; Gwozdz W.; Hvass K.K.	Exploring the Relationship Between Business Model Innovation, Corporate Sustainability, and Organisational Values within the Fashion Industry	2018	Journal of Business Ethics	(Pedersen et al., 2018)
29	Larsson J.K.J.	Digital innovation for sustainable apparel systems: Experiences based on projects in textile value chain development	2018	Research Journal of Textile and Apparel	(Larsson, 2018)
30	Garcia-Ortega B.; Galan-Cubillo J.; Llorens-Montes F.J.; de-Miguel-Molina B.	Sufficient consumption as a missing link toward sustainability: The case of fast fashion	2023	Journal of Cleaner Production	(Garcia-Ortega et al., 2023)

*Source: our elaboration (2024)*

In the context of the present academic investigation, a meticulous selection of nodes has been undertaken with the purpose of analyzing the extant literature within the fashion industry sector. The next shown tables will deepen fifteen distinct nodes that will serve as the analytical framework for this study. The first node delineates the types of authors who have contributed to the selected peer-reviewed academic articles, categorizing them as academics, professionals, or a combination of both. The second node establish the geographical locations of the studies, identifying each continent under investigation and emphasizing, if present, the cases where multiple countries are involved in the same academic work. The third node seeks to categorize the research methods employed in each selected article, distinguishing between quantitative methods, qualitative methods, or a combination of both. The fourth node centers on the fashion sectors of interest included in the examined articles.

The subsequent fifth node aims to interpret the presence of specific objectives to achieve regarding sustainable business models. The sixth node investigates the utilization of technology to enhance the research outcomes. The seventh node compiles a list of the most relevant stakeholders mentioned in the reviewed studies. The eighth node is dedicated to exploring any sustainable applications in fashion business models. The ninth node seeks to identify articles that explicitly mention the presence of a business models, highlighting the specific type of model being referenced. The tenth and eleventh nodes investigate the types of advantages and disadvantages discerned during the literature review. The twelfth node identifies barriers to the implementation of sustainable business models in the fashion sector. The thirteenth, fourteenth, and fifteenth nodes respectively examine any research, practical, or policy implications discovered throughout the study. The following table 1.2. dive into the analysis of the analytical framework of the present study, given the fifteen nodes aforementioned.

**Tab. 1.2. The Analytical Framework.**

Category	Variables	Results	%*
<b>Authors</b>		30	
	Academics	30	100%
	Professionals	0	0%
	Both	0	0%
<b>Location of the Study</b>			
	Yes	18	60%
	- Europe	10	33%
	- More continents together	4	13%
	- Asia	3	10%
	- Oceania	1	3%
	No	12	40%
<b>Research Method</b>		30	
	Case Study	10	33%
	Literature Review	5	17%
	Online Survey	4	13%
	Mixed Methods	3	10%
	Online Interview	2	7%
	Collaborative Research Approach	2	7%
	Longitudinal Interview	1	3%
	Semi-Structured Interview	1	3%
	Statistical Processing Methods	1	3%
	Content Analysis	1	3%
<b>Fashion Sector</b>		30	
	Apparel industry	9	30%
	General Term (Fashion Industry)	8	27%
	Fast Fashion	8	27%
	Fashion Retail	2	7%
	Fashion Design	1	3%
	Fashion Marketing	1	3%
	Luxury Fashion	1	3%

<b>Objective Regarding Sustainable Business Models</b>		30	
	Implementation for A Market Advantage	13	43%
	Implement Sustainability for Change	11	37%
	Implementation for Sustainable or Responsible Consumption	3	10%
	Other Objectives	3	10%
<b>Technology Used (if mentioned)</b>		30	
	Yes	21	70%
	- Digital solutions	14	47%
	- Sustainable Manufacturing	11	37%
	- Blockchain	2	7%
	- Tracking Inventory	2	7%
	No	9	30%
<b>Stakeholders</b>		30	
	Fashion Companies	24	80%
	Consumers	20	67%
	Researchers	14	47%
	Regulatory Bodies	13	43%
	Customers	7	23%
	Suppliers	7	23%
	Apparel Retailer	6	20%
	Designers/Experts	5	17%
	Manufacturers	4	13%
	Employees	4	13%
	Medias and Communication Channels	4	13%
	Service Providers	3	10%
	Fashion Libraries or Rentals	2	7%
	Competitors	2	7%

	Practitioners	1	3%
	Distributors	1	3%
	Investors	1	3%
<b>Application of Sustainability</b>		30	
	Application of Circular Economy	11	37%
	Application of Product-Service Systems or Sharing Strategies	8	27%
	Application of Sustainable Performances	5	17%
	CSR Application	4	13%
	Application of Technological Environmental Sustainability	2	7%
<b>Mentions a Business Model</b>		30	
	Yes	28	93%
	- Circular Business Models	10	33%
	- Collaborative or Sharing Business Models	6	20%
	- Digital Business Models	4	13%
	- Sustainable Fashion Business Models	3	10%
	- CSR Business Models	3	10%
	- Traditional Business Models	2	7%
	No	2	7%
<b>Explain the Advantages</b>		30	
	Yes	26	87%
	- Competitive Advantage	18	53%
	- Enhance Sustainable Choices or Behaviors	7	23%
	- Ownership Advantages	1	3%

	No	4	13%
<b>Explain the Disadvantages</b>		30	
	No	21	70%
	Yes	9	30%
	- Wrong Sustainable Implementation	4	13%
	- Consumers' Behavior	3	10%
	- Greenwashing	1	3%
	- Scarce Resource Availability	1	3%
<b>Explain Barriers</b>		30	
	Yes	16	53%
	- Knowledge Barriers	7	23%
	- Resistance to Change	5	17%
	- Trust Issues	5	17%
	- Financial Reasons	2	7%
	- Regulatory Barriers	2	7%
	- Supply Chain Barriers	1	3%
	No	14	47%
<b>Research Implications</b>		30	
	Yes	18	60%
	- Integration for Future Research	8	27%
	- Methodological Enhancement	5	17%
	- Exploring Interactions of Variables	3	10%
	- Validation of Findings	2	7%
	No	12	40%
<b>Practical Implications</b>		30	
	Yes	21	70%



	- Strategic Transition	7	23%
	- Marketing Strategy	5	17%
	- Collaborative Approach	5	17%
	- Value Proposition Enhancement	4	13%
	No	9	30%
<b>Policy Implications</b>		30	
	No	19	63%
	Yes	11	37%
	- Recommendations For Policymakers	7	23%
	- Collaborative Approach	3	10%
	- Policymakers Support	1	3%

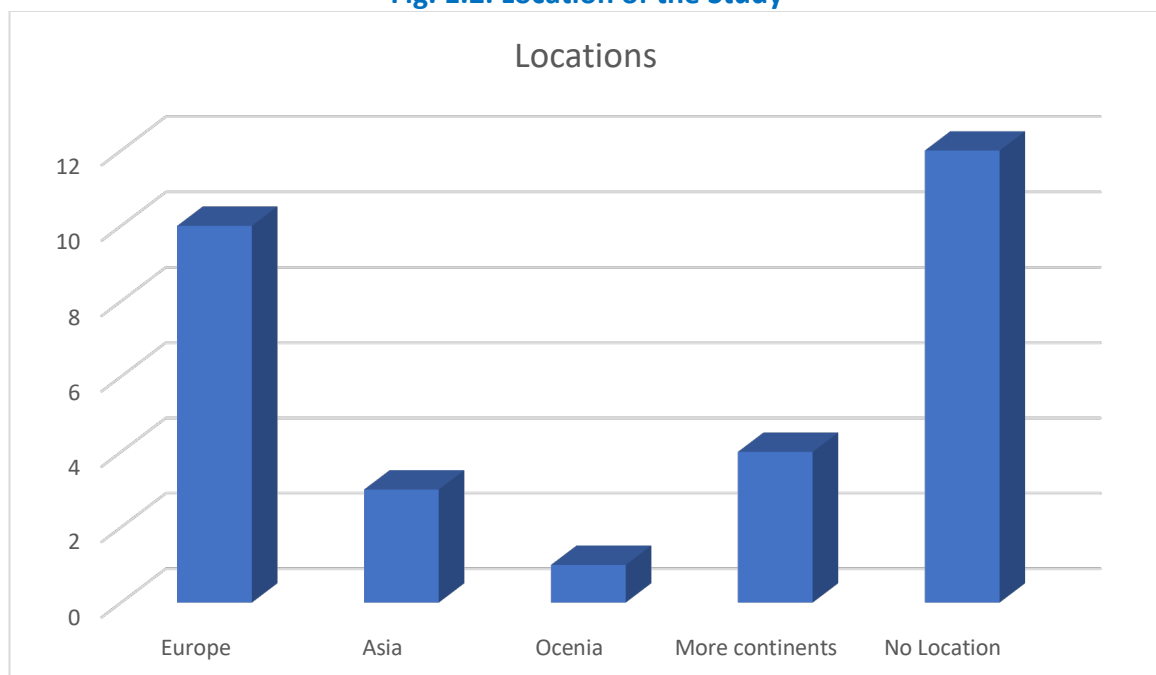
*Source: our elaboration (2024)*

*(\*All the % values above are rounded up or down)*

Starting with the considerations of the first node, as all 30 investigated articles were conducted by academic subjects, we can assume a potential academic-centric discourse within the existing literature. Our observation suggests a predominant scholarly interest and involvement in the exploration of sustainable practices in the fashion sector. Also, the evident absence of contributions from industry professionals may indicate a research landscape primarily driven by academic interest, potentially highlighting a gap in engagement from practitioners within the fashion industry, or even from a managerial standpoint. Further analysis would be necessary as the limitation of the above observations stands considering that the sample analyzed is composed only by 30 academic contributions, not representing the wide scientific works available and existing in the entire fashion sector.

Going further with the considerations of the second presented node, 18 out of 30 articles specifically mention the location in which the studies were conducted. The remaining 12 articles either do not mention a location or give ambiguous indications that do not seem to be eligible. Focusing on the academic works that do mention the location, table 1.2. (Tab. 1.2. The Analytical Framework.) highlights a European predominance as a main study location with 10 studies conducted in different EU countries. Three studies analyzed some market trends, surveys and fashion brands placed mainly in Asia while only one article was conducted in Oceania. Moreover, four studies were conducted in more than one continent during the investigations and were considered together.

**Fig. 1.2. Location of the Study**



*Source: our elaboration (2024)*

**Tab. 1.3. Location of the Study**

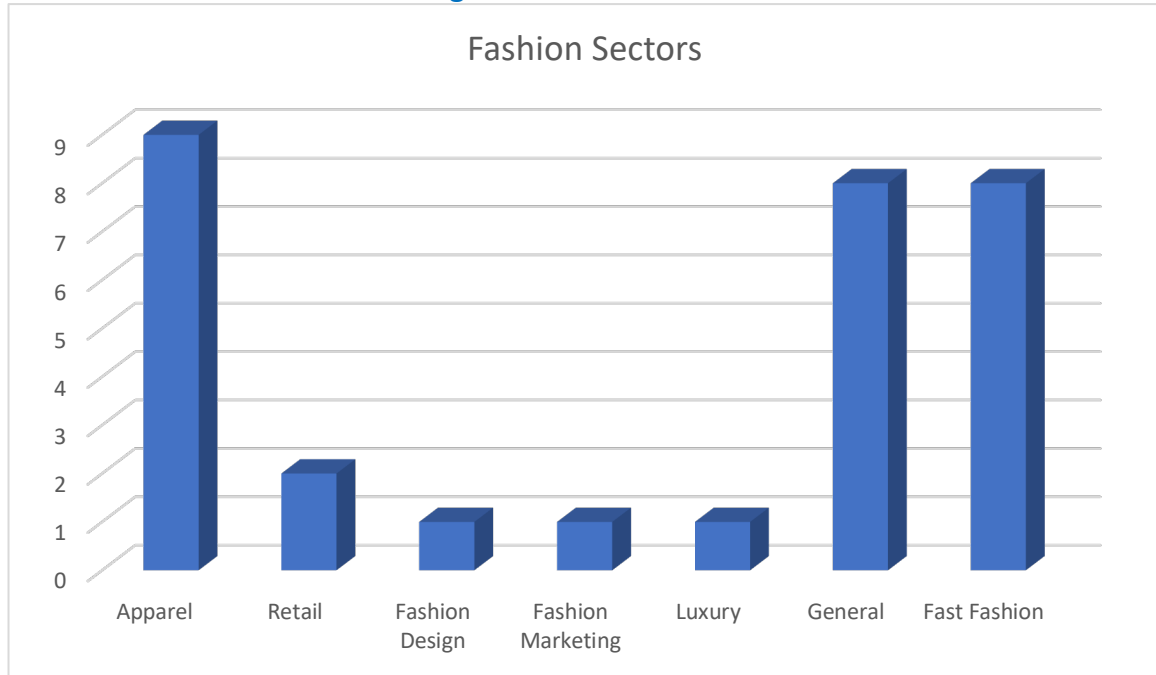
<b>Location of the Study</b>		<b>30</b>
	No	12
	Yes	18
	- Italy	4
	- United Kingdom	4
	- Sweden	4
	- USA	3
	- Denmark	2
	- Norway	2
	- China	2
	- South Korea	2
	- Brazil	2
	- Indonesia	1
	- Belgium	1
	- Finland	1
	- Slovakia	1
	- Australia	1
	- Spain	1
	- Japan	1
	- Netherlands	1

*Source: our elaboration (2024)*

Focusing on the third node, deepening the various research methodologies exploited in the 30 articles studied, 33% of them (the exact equivalent of 10 articles) is reportedly a case study. This research methodology is presumably preferred as it allows to contribute to valuable knowledge for academic discussions, informing sustainable business strategies in the fashion industry through real cases, mainly from the perspectives of sustainable fashion brands and their actual achievements on the market. Five articles exploit literature review methodology, as in the case of this paper, to create a systematic and trustworthy study that enhances the scientific literature with an extensive contribution. Only three articles preferred to implement a mixed methodology of qualitative and quantitative measures, mutually reinforcing each other in the building of findings and the explanation of results. Two articles lean on online interviews conducted with consumers, mainly to have a wider and more specific understanding of their behaviors and preferences. Two articles were developed through a collaborative approach research methodology. Individual articles presented different research structures, as: longitudinal interviews, semi-structured interview, statistical processing methods and content analysis.

Shifting our attention to the fourth node, excluding articles that mentions “fashion industry” (8 out of 30 articles) as a general fashion sector, six different field sectors have been included in the various investigations. 30% (the equivalent of 9 articles) have treated different topics arising from the apparel industry, resulting as the most investigated sector of our research. 8 articles deepen considerations coming from arguably the most polluting fashion sector of all, the fast fashion industry. For fashion retail sector a total of 2 articles has exposed investigation and interest, mainly toward big brands acting in that specific field. To conclude with the “Fashion Sector” node, three articles showed more specific considerations by applying the aforementioned research methodologies in fashion marketing for one paper, design sector for the second paper and, lastly, luxury fashion sector in the third paper.

**Fig. 1.3. Fashion Sectors**



Source: our elaboration (2024)

**Tab. 1.4. Fashion Sectors**

Fashion Sector		30
	Apparel Industry	9
	- <i>Product service system – Fashion libraries</i>	4
	- <i>Swedish sport clothing apparel industry</i>	1
	- <i>Sustainable fashion garments</i>	1
	- <i>Advantage of circular economy models in apparel multinationals</i>	1
	- <i>Educating consumers on sustainable solutions in the apparel industry</i>	1
	- <i>Innovative digital tools for sales and manufacturing, minimizing waste in the textile and apparel industry</i>	1
	General Term (Fashion industry)	8
	- <i>Italian fashion circular economy</i>	1
	- <i>Digital sustainable performance in fashion industry as a sustainable business model</i>	1
	- <i>MSMEs in clothing and textile industry</i>	1

	- <i>Consumer attitudes influencing a transition toward CE in the Fashion Industry</i>	1
	- <i>Sustainable capabilities in fashion and textile industries</i>	1
	- <i>unmatched demand and oversupply in the fashion industry</i>	1
	- <i>case study of a Veronese company from the fashion and textile sectors</i>	1
	- <i>social and environmental impact of the fashion industry</i>	1
	Fast Fashion	8
	- <i>Fast and slow Italian apparel industry</i>	1
	- <i>CSR performance of fast fashion brands</i>	1
	- <i>Sustainable fashion and consumer perception on Fast Fashion production</i>	1
	- <i>Companies owning at least one fast fashion brand specialized in fashion retail</i>	1
	- <i>Business model adaptation of Fast Fashion Companies during covid 19 pandemic</i>	1
	- <i>Slow fashion, innovative and sustainable fashion firm in Comparison with Fast Fashion Companies</i>	1
	- <i>Ready-made garment industry</i>	1
	- <i>Reduce the dependence on the sale of new items through sufficient consumption</i>	1
	Fashion Retail	2
	- <i>Clothing re-use and circular business models in fashion retail</i>	1
	- <i>Fashion companies' sustainable performance in retailing and supply chain</i>	1
	Fashion Design	1
	- <i>Design research for long lasting materials</i>	1
	Fashion Marketing	

	- <i>CSR as a fashion marketing strategy to convey. Effective consumer communication</i>	1
	Luxury Fashion	1
	- Benefits of the co-dependance between luxury and the sustainability	1

*Source: our elaboration (2024)*

Now shifting our analysis into the “Objective Regarding Sustainable Business Models” node, it is interesting to notice how three macro-objectives have been treated overall. The most prominent investigated objective regards mainly different issues concerning the implementation of sustainability, in the form of Business Models to adopt, to achieve a market advantage in the field, counting 13 different articles that treat such objective. Secondly, another important aspect achievable through such adoption aims to implement sustainability to obtain changes in all interested stakeholders in the field, counting 11 different articles that treat such argument. Furthermore, 3 articles focused on the implementation of sustainable business models to reach a more sustainable or a more responsible consumption. Finally, the following table 1.5. (Tab. 1.5. Objective Regarding Sustainable Business Models) integrates 3 different objectives of three distinct articles that during our studies did not match the three above explained categories. As we can already assume, also confirmed from the structure of the next table, those three macro-objectives are strictly intercorrelated. Also, the achievement of one implementation may influence the successful achievement of another. As a Matter of fact, many authors highlight the importance of implementing Sustainable Business Models by promoting education among consumers. This promotion may lead to a substantial advantage in the long run to those stakeholders that are already building relationships with circular educated customers. Sustainability seen as a practice shows to be a mutually reinforcing system, helping to maintain the environment but also satisfying consumers with expectations. Furthermore, as highlighted in the following table, it is fundamental to understand consumers’ perceptions and willingness to adopt a sustainable orientation before engaging with such strategy in the fashion market. It has been demonstrated, especially in the case of well-known fast fashion brands, that sustainable communications are not always credible and well-perceived by modern consumers, who are constantly building a more sophisticated demand that major brands must face daily.



**Tab. 1.5. Objective Regarding Sustainable Business Models**

<b>Objective Regarding Sustainable Business Models</b>		30
	Implementation for A Market Advantage	13
	- <i>Offering sustainable products for positive consumers attitude toward a Brand</i>	1
	- <i>Sharing business economies to engage consumers with different sustainability orientations</i>	1
	- <i>Understand consumers perception of hypocrisy from fashion brands that implement sustainability for self-benefit appeal</i>	1
	- <i>Positive and negative consumer perception of clothing product-service systems</i>	1
	- <i>Increasing business competitiveness by reacting to consumers circularity expectations</i>	1
	- <i>Highlight the Importance of sustainable development based on consumer perception to build profitable strategies</i>	1
	- <i>Implement sustainable business models to improve business performance</i>	1
	- <i>Shifting Fashion Rental business models from a niche strategy to opportunities meeting current customers' needs</i>	1
	- <i>Application of innovative business models in the fashion industry to offer higher quality value proposition</i>	1
	- <i>Make products that match individual preferences (hyper-personalization) while being environmentally friendly and improving overall productivity in the industry</i>	1

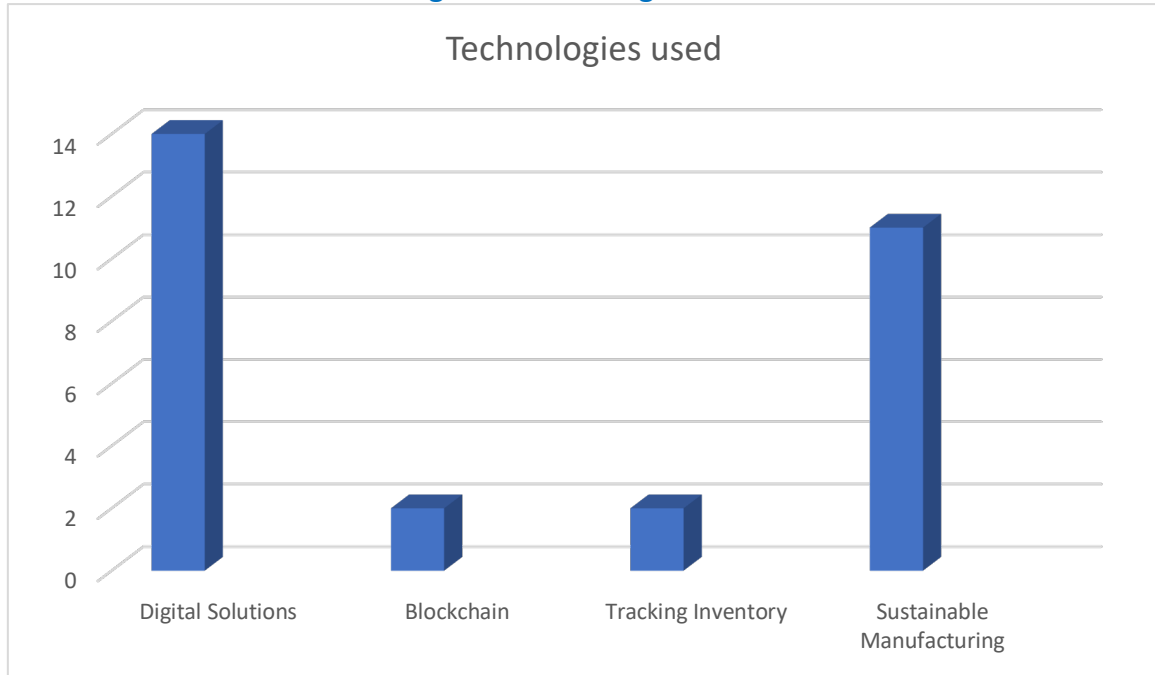
	- <i>Leveraging competitive advantages of the circular economy among Apparel Multinationals</i>	1
	- <i>Increase Financial performance through sustainable adoption</i>	1
	- <i>Extending the adoption of circular business models to increase business attempts to build strong customer relationship</i>	1
	Implement Sustainability for Change	11
	- <i>External factors shaping business models shifting from a fast to a slow philosophy</i>	1
	- <i>Adopting CE and circular business models to align business interests with environmental needs</i>	1
	- <i>Achieving environmental sustainability by reshaping business practices within the fashion industry</i>	1
	- <i>Recognize the benefits of sustainable business models in the long term as a corporate mission</i>	1
	- <i>Activating digital circular business model for less resource consumption and lower emissions</i>	1
	- <i>Challenge sustainability implementation in comparison with dominant business models and consumption behaviors for a better footprint</i>	1
	- <i>Understand how major players in the Fashion Industry already implemented CE promoting sustainable education among consumers</i>	1
	- <i>Adapting to the covid-19 pandemic by offering sustainable solutions in the Fashion industry, maintaining successful companies position in the market</i>	1
	- <i>Influencing the attitudes and behaviors towards sustainable fashion products by adopting sustainability</i>	1

	- <i>Digital tools for sales and manufacturing contributing to sustainable business models and achieving the sustainable development goals established by United Nations</i>	1
	- <i>Sustainability to challenge the dependence on the sale of new items</i>	1
	Implementation for Sustainable or Responsible Consumption	3
	- <i>Developing sustainable business models for increasing consumers interests toward PSS</i>	1
	- <i>Introducing fashion libraries for affordable and creative consumption enhancing networks and youngsters</i>	1
	- <i>Driving innovation in circular business models that facilitate and encourage the reuse of clothing items</i>	1
	Other Objectives	3
	- <i>Understand the challenges for the implementation of sustainable business models in the luxury fashion industry</i>	1
	- <i>Eliminate modern slavery with the implementation of sustainable, ethic and fair business models</i>	1
	- <i>Why should Fashion brands consider a more sustainable approach</i>	1

*Source: our elaboration (2024)*

For the “Technology Used (if any)” node we have identified different types of technologies that were mentioned repeatedly in many articles. This is why in table 1.2. (Tab. 1.2. The Analytical Framework.) the count of such technologies does not match the actual number of articles composing the structured review of the current paper. During the analysis of the literature, we have encountered mainly technologies exploited from the digital field, with 14 mentions counting 47% of the articles available. Most cited digital technologies appear to be websites, web platforms, marketplaces, 3D printing and virtual realities. Many contributions touched specific sustainable manufacturing technologies helping to reduce general waste through circular strategies and smart machines integrations. The latter counts exactly 11 mentions covering 37% of total papers available in this study. Two articles mention blockchain implementations, while another two articles deepen the usage of technologies that facilitate the process of tracking companies’ inventories, which is a fundamental aspect to consider in the whole fashion industry sector. Finally, 9 articles covering 30% of the papers analyzed, do not mention any kind of technological implementation. The following figure 1.4. (Fig. 1.4. Technologies used) and table 1.6. (Tab. 1.6. Technologies used) give a more specific vision of the outcomes reached throughout the aforementioned analyzation of academic articles, offering a wider explanation of results. It is interesting to notice how the focus of the fashion field, in this present time, is mainly centered on the exploitation of digital solutions for two evident reasons: reduction of fixed costs and efficiency in delivering services. The combination of 3D technologies and digital platforms brought to the delivery of innovative new services to the end cosnumers, such as interacting with a virtual changing room to test garments without the need to approach a physical store. These new technological services are increasing the competitive advantages of fashion brands, demonstrating their effort in reducing emissions with an innovative alternative that is increasing costumers’ engagement and satisfaction of sustainable demand.

**Fig. 1.4. Technologies Used**



Source: our elaboration (2024)

**Tab. 1.6. Technologies Used**

Technologies Used		30
	No	9
	Yes	21
	Digital Solutions	14
	- Websites offering a rental service for clothing	2
	- Avatar-based 3D technology in which consumers can measure their body sizes and interact on virtual interfaces to create designs	2
	- Digital marketplaces or digital platforms exploited in order to increase customer engagement toward a responsible sustainable education	2
	- Exploiting social medias to build responsible communities and enhance co-creation	1
	- Expanding management solutions through leading social media	1

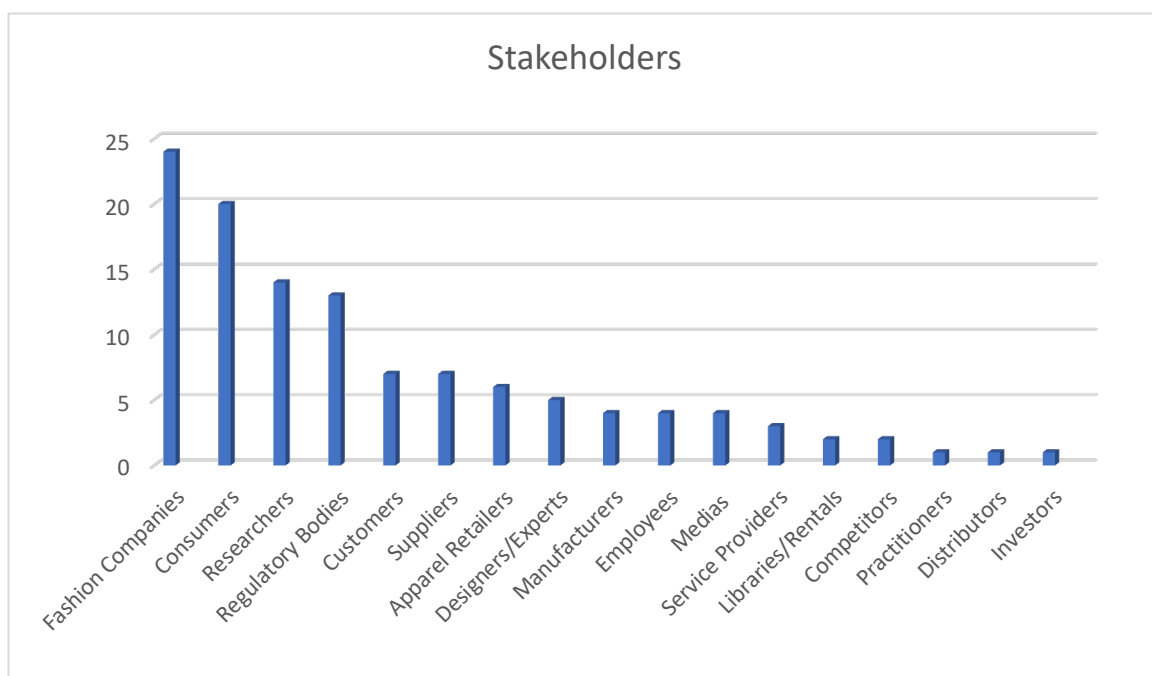
	- <i>Enhancing value co-creation through the usage of technological platforms</i>	1
	- <i>3D Knitting production</i>	1
	- <i>AI designed fashion products</i>	1
	- <i>AR to try products on virtually</i>	1
	- <i>CRM and social networks to improve information flow and customers feedback</i>	1
	- <i>Digital tools such as AR and novel digital printing technology for printing on non-flat surfaces</i>	1
	Sustainable Manufacturing	11
	- <i>Introducing technologies to set water consumption (denim wash programs) to conserve water in the laundry stage</i>	2
	- <i>Reduce Fabric Waste with 3d technology</i>	2
	- <i>Laser tech to shape polyester and re-use garments</i>	1
	- <i>Closed-loop technology in the context of recycling cotton textile waste into renewable fibers</i>	1
	- <i>Implement new technologies for reducing the social and environmental footprint of manufacturing processes</i>	1
	- <i>New technologies to deliver product design in an environmentally friendly way to use recycled products for packaging and items</i>	1
	- <i>Radically rethinking manufacturing processes with the usage of orange fiber</i>	1
	- <i>Complete garment knitting technology to widen product offers and enhance product lifecycle system</i>	1
	- <i>Mylo technology – sustainable material extracted from mushrooms roots (mycelium fibre) looking like leather. Sustainable, high quality and</i>	1

	<i>affordable material used by Stella McCartney brand</i>	
	Blockchain	2
	- <i>Non-fungible token (NFTs) used as proof of authenticity of high-quality sustainable materials of garments</i>	1
	- <i>Blockchain-based circular business model</i>	1
	Tracking Inventory	2
	- <i>Radio-Frequency Identification as a proof for an ethical and authentic supply chain</i>	1
	- <i>Blockchain to enhance supply chain transparency, improving decision-making, brand perception, and trust</i>	1

*Source: our elaboration (2024)*

Going further with the “Stakeholders” node, this study decided to represent which are the major subjects influencing the sustainability forces implementations in the fashion industry. As explained with RQ1 in paragraph “1.1.1. Literature review protocol and Research Questions definition” (RQ1→ Considering modern urgencies, how the adoption of sustainable business models in the fashion industry contribute to brand differentiation and customer loyalty?), this structured literature review aim to understand if the adoption of sustainable practices, within applicable business models, may lead to a substantial competitive advantage for business in the fashion industry, with respect to Consumers and Customers. Therefore, obtaining positive feedback from the academic articles selected, in terms of proper stakeholders treated, is fundamental for the reasoning of this paper’s objectives. As confirmed by the following figure 1.5. (Fig. 1.5. Stakeholders), the histogram confirms a very widespread presence of consumers and customers focus on the selected academic literature with 20 articles mentioning Consumers (representing 67% of the total sample) and 7 articles mentioning Customers (representing 23% of the total sample). Once again, such results are reassuring the validity of the research questions that are building the foundations of the current paper. In Figure 1.5. (Fig. 1.5. Stakeholders), we are providing a wide yet specific list of subjects, considering each and every mention encountered during our investigations.

**Fig. 1.5. Stakeholders**

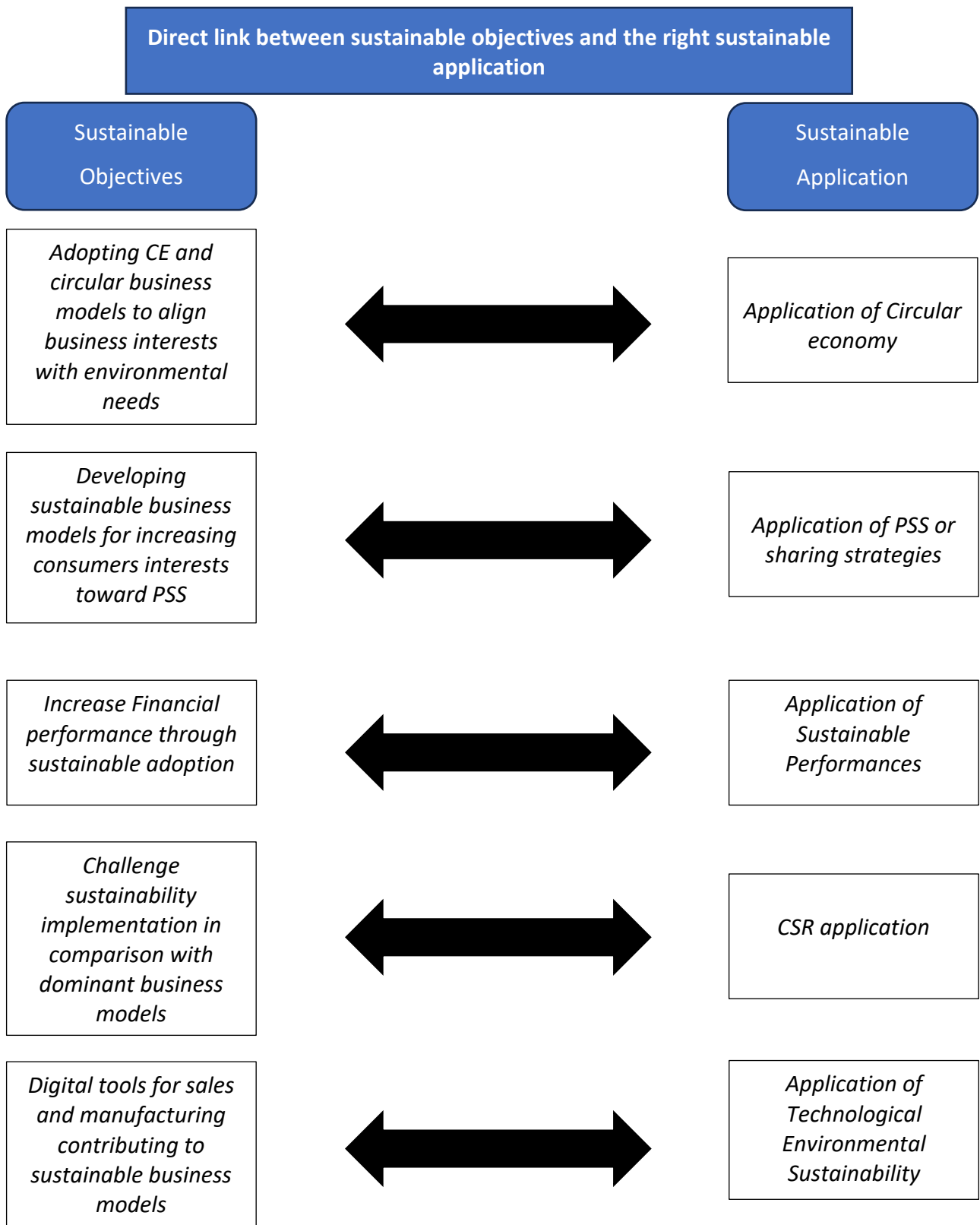


*Source: our elaboration (2024)*



The “Application of Sustainability node” was approached to have the possibility to understand which the most common sustainable applications are in the Industry of Fashion. Results propose five major applications of sustainability, consisting of: circular economy, product-service systems (PSS) and sharing strategies, sustainable performances, corporate social responsibility, and lastly technological environmental applications. In all 30 articles selected for this study we have found an application of sustainability. In the first application case, circular applications show to be the most relevant and frequent with 11 applications, covering 37% of the total sample. Circularity is not a feature that consider only the application of CE business models, it also encompasses a variety of behaviors and implementations allowing business to shift to a more sustainable activity all around. The second most frequent application arising from our studies arise from product-service systems and, more generally speaking, sharing businesses solutions (e.g. fashion libraries). The latter is cited in 8 articles out of 30, covering 27% of the total sample. Thirdly, with 5 applications, our studies consider general sustainable performances coming from diverse actions of different stakeholders, covering 17% of the total sample. Fourthly, the application of corporate social responsibility has been detected in 4 academic works, covering 13% of the total sample. Lastly, the application of sustainable technological actions has been detected in 2 articles, covering 7% of the total sample. This study naturally unveils how many objectives treated in table 1.5. (Tab. 1.5. Objective Regarding Sustainable Business Models) and their success strictly depend on the right application of sustainability. The following figure 1.6. (Fig. 1.6. Direct link between sustainable objectives and the right sustainable application) intend to give a tangible dimension, through real examples treated in this paper, to explain the interdependence between these two variables. Furthermore, table 1.7. (Tab. 1.7. Application of Sustainability) offers more specific details on the different types applications identified during our investigations.

**Fig. 1.6. Direct link between sustainable objectives and the right sustainable application**



**Tab. 1.7. Application of Sustainability**

Application of Sustainability		30
	Application of Circular Economy	11
	<ul style="list-style-type: none"> <li>- <i>Adoption of circular business models that focus on reducing waste, promoting recycling, and creating a more sustainable and regenerative approach to fashion production and consumption</i></li> </ul>	3
	<ul style="list-style-type: none"> <li>- <i>Consumer centricity in driving circular business model innovation, considering logistics services as an accelerator of the shifting process</i></li> </ul>	2
	<ul style="list-style-type: none"> <li>- <i>Archetypes of digital-based circular business models in the fashion industry to achieve CE through blockchain, service-based model, and the pull demand-driven model</i></li> </ul>	1
	<ul style="list-style-type: none"> <li>- <i>Approaches to address social and environmental challenges by reevaluating existing business models and consumption behaviors in the fashion industry</i></li> </ul>	1
	<ul style="list-style-type: none"> <li>- <i>Adoption of circular models to address environmental concerns within the fast fashion industry</i></li> </ul>	1
	<ul style="list-style-type: none"> <li>- <i>Focusing on transparency and sustainability as part of their business model to adapt to new market norms and remain relevant in the fashion industry</i></li> </ul>	1
	<ul style="list-style-type: none"> <li>- <i>Products designed for longevity, reuse, and recycling, minimizing waste and resource consumption in the fashion industry</i></li> </ul>	1

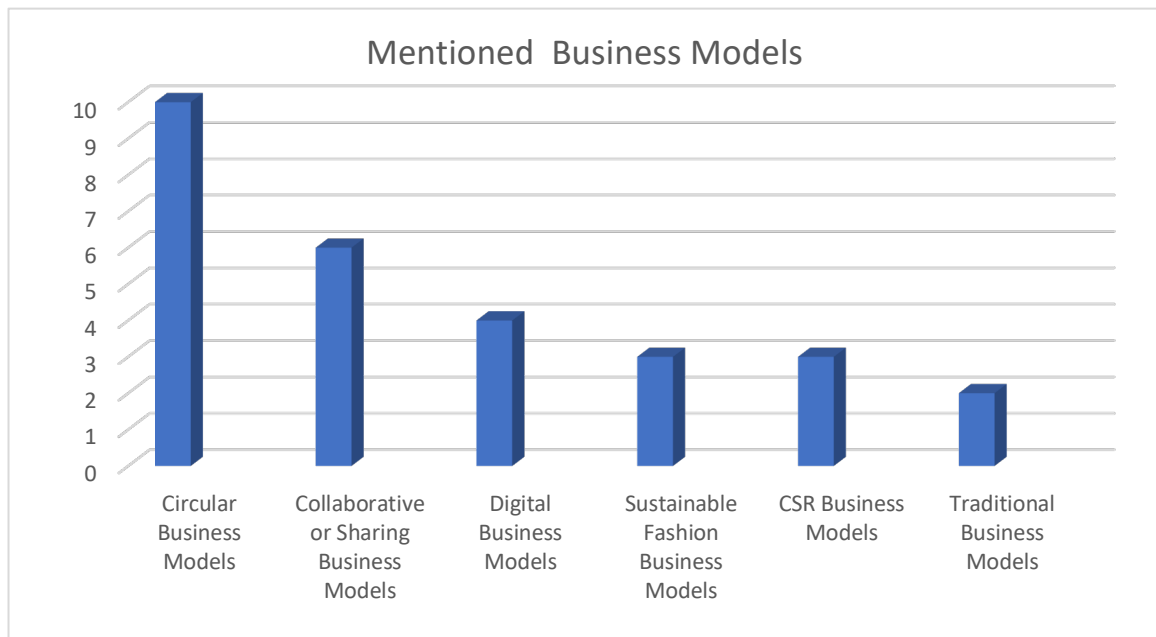
	- <i>Advantages given from manufacturing systems and closed-loop resources that achieves economic and environmental sustainability</i>	1
	Application of Product-Service Systems or Sharing Strategies	8
	- <i>Development of product-service systems for sustainable apparel consumption</i>	2
	- <i>Community scope influencing consumer engagement in sharing businesses within the fashion industry with sustainable standards</i>	2
	- <i>Shift towards circular business models that promote responsible consumption and address environmental concerns, to understand consumers' willingness to support clothing swaps and rentals</i>	2
	- <i>Collaborative consumption offering new perspectives of cost savings enhancing communities</i>	1
	- <i>Make a valuable alternative for consumers thorough the application of Fashion rentals</i>	1
	Application of Sustainable Performances	5
	- <i>Assessing customers perception on the sustainable performance of fashion companies to understand how it influences their customer equity</i>	1
	- <i>How sustainable capabilities influence business competence and, subsequently, firm performance</i>	1
	- <i>Practices applied for Fashion brands in the implementation of sustainability through a triple bottom line framework (society, environment and economy)</i>	1
	- <i>Generation and dissemination of sustainable value applying factors and processes guiding a</i>	1

	<i>company's strategic conduct towards sustainable innovation</i>	
	- <i>Marketing and communicational strategies aimed at sharing sustainable knowledge to influence consumers behavior</i>	1
	CSR Application	
	- <i>Long-term benefits of CSR implementation as a firm integral mission</i>	2
	- <i>CSR perception influencing consumers purchase intentions</i>	1
	- <i>Eco-feminist dynamic capabilities, contributing to brand success and resilience in the field of sustainability</i>	1
	Application of Technological Environmental Sustainability	2
	- <i>Hyper-personalization, environmental sustainability, and productivity, reshape the fashion industry to tackle issues of unmatched demand and oversupply</i>	1
	- <i>Digital tools exploited to reduce waste of textile</i>	1

*Source: our elaboration (2024)*

Another crucial element for the development of our RQ1 in paragraph “1.1.1. Literature review protocol and Research Questions definition” (RQ1 → Considering modern urgencies, how the adoption of sustainable business models in the fashion industry contribute to brand differentiation and customer loyalty?), also being a core part of the investigation conducted, aimed at finding academic papers that mention a business model. In mutual collaboration with sustainable aspects and actions, “institutional pressures lead to the development of a slow fashion business model primarily characterized by circular innovations adopted internally, with a specific focus on the selection and interaction with local suppliers.” (Abbate et al., 2023). The shift from traditional Business Models, implementing fast production at a low cost for a higher selling dependency, are no longer feasible in this modern era we are facing. Modern urgencies oblige fashion companies to overcome sustainable integration obstacles, avoiding the long-term usage of obsolete business models, focusing more on sustainable consumption expectations that help building loyalty and engagement with end consumers. Over the 30 academic articles investigated, only 2 have not mentioned any kind of business model in their considerations, covering 7% of the total sample. Enhancing findings of this current paper, 28 articles mention a type of business models, covering 93% of the total sample. Circular Business Models are majorly distributed in 10 articles, covering 33% of the total sample. Collaborative or Sharing Business Models are the second most mentioned type with 6 articles, covering 20% of the total sample. Thirdly we found Digital Business Models with 4 mentions, covering 13% of the total sample. Sustainable Fashion Business Models (more general) and CSR Business Models have respectively 3 mentions for each kind, both covering individually 10% of the total sample. Lastly, only 2 academic articles from scientific literature mentions traditional Business Models, even if dealing with sustainability issues. The following Figure 1.7. (Fig. 1.7. Mentioned Business Models) specifically addresses what explained in the above lines of this paragraph. To conclude with this node’s considerations, we highlight how sustainable business models prioritize supply chain transparency and ethical sourcing practices, which not only build consumer trust and improve brand reputation (as investigated by our RQ1 → Considering modern urgencies, how the adoption of sustainable business models in the fashion industry contribute to brand differentiation and customer loyalty?) but also mitigate risks associated with unethical practices. Overall, the adoption of sustainable business models in the fashion industry is not only advisable from an environmental and social standpoint, it is also essential for maintaining competitiveness over the market and ensuring business success in the long run.

**Fig. 1.7. Mentioned Business Models**



*Source: our elaboration (2024)*

Focusing our considerations on the investigations for the “Explain the Advantages” node, three major advantages arise from the analyzations conducted. The vast majority of the academic papers sampled, precisely 26 papers covering 87% of the total sample, explain insights concerning advantages coming from sustainable choices or behaviors in the industry. The remaining 4 papers, covering 13% of the total sample, do not mention any sort of advantage detected during the research period of the studies conducted. The most cited type of advantage, considering the 30 articles building the foundation of this paper, is a competitive kind of advantage. The latter is cited in 18 articles, covering 53% of the total sample. Modern kind of sustainable implementation are seen as market advantage component for different reasons, as “Sustainability can clearly be a source of competitive advantage, as has been documented in other industries such as food; indeed, on a limited scale, some firms in the textile industry have made some profitable steps toward sustainability.” (Di Benedetto, 2017). The second major advantage cited is concerning the ability of conducting behaviors or choices that can enhance Sustainability integration, in both companies and individuals. In total, 7 articles have treated such advantage, covering 23% of the total sample. Finally, only one article mentions an ownership kind of advantage, covering just 3% of the total sample. The following table 1.8. (Tab. 1.8. Explain the Advantages) will offer a wider and more detailed vision of the aforementioned advantages discovered, distinguishing each one of the three main typologies. Analyzing the table, we notice how the predominance of sustainable efforts connected to the creation of competitive advantages is justified by a customer-driven view. Brand’s performances, customer satisfaction and consumers’ repurchase decisions (leading consequently to brand loyalty) are all driven by sustainable efforts that aim to adapt to environmental changes, always considering the low natural resources that are accessible currently. The combination of both environmental issues and customers satisfaction is marking the path of present and future fashion industry business models implementation.



**Tab. 1.8. Explain the Advantages**

<b>Explain the Advantages</b>		<b>30</b>
	No	4
	Yes	26
	Competitive Advantage	18
	- <i>Incorporate CSR initiatives to differentiate from other competitors, leading to a better brand coherence and a higher marketing advantage</i>	3
	- <i>Logistic improvements as a strategy to accelerate Circular Business Model implementations aiming at maintaining a positive market position</i>	2
	- <i>Economic benefits and competitive advantages following the integration of social and environmental concerns into manufacturing operations</i>	1
	- <i>Fostering quality production of sustainable items to gain a better value proposition</i>	1
	- <i>Digital production creating competitive advantages for high-cost countries to compete with lower-wage cost countries</i>	1
	- <i>Responding to rapid changes through environmental and internal skills to create competitive advantage</i>	1
	- <i>Competitive advantages achieved by focusing on the shift from labor-intensive suppliers to capital-intensive suppliers. Green materials improving production process efficiency</i>	1
	- <i>Sustainable satisfaction expectation building consumers repurchase decision by increasing brand sustainable equity</i>	1

	- <i>Business sustainability playing a supporting role for companies' market performances</i>	1
	- <i>Luxury firms preserve natural resources in the production cycle to gain a brand competitive advantage from a marketing perspective</i>	1
	- <i>Sharing competencies lowering associated costs and increasing market performances</i>	1
	- <i>Create a responsible business model to reach premium prices, brand leadership, customer loyalty and adaptation to change</i>	1
	- <i>Offering value to consumer exploiting strategic Marketing</i>	1
	- <i>Create superior customer value implementing TBL (Triple bottom line) strategy</i>	1
	- <i>Data-driven manufacturing leading to less production downtime</i>	1
	Enhance Sustainable Choices or Behaviors	7
	- <i>Exploiting internet and social trends to increase sustainable education toward a more responsible set of actions</i>	1
	- <i>Experimenting fashion styles without paying the full price through PSS solutions</i>	2
	- <i>Exploiting Consumers expectations on more sustainable actions as a tool to increase engagement</i>	1
	- <i>Invest in CSR communication efforts to avoid consumers perceived hypocrisy toward Fast Fashion brands</i>	1
	- <i>Digital innovation creating the opportunity to create zero water waste and remove over-production</i>	1
	- <i>Avoiding the dependence on over-consumerism by adopting Sustainable Business Models</i>	1

	Ownership Advantage	1
	- <i>Own distinctive intangible assets to be employed in several locations or advantages from the possession of complementary assets to coordinate cross-border activity</i>	1

*Source: our elaboration (2024)*

The eleventh node focused the investigations of this academic paper for the research of any kind of disadvantage cited in the selected sample. It is fundamental to highlight that we have not met any scientific contribution specifically reporting disadvantages arising from the implementation of sustainable business models in fashion companies, as for the integration of any sustainable behavior in general terms. As expected, "Firms consider their resource capacities and organisational structures to adopt appropriate CE strategies for their business models to increase firms' productivity and sustainability" (Huynh, 2022), not limiting such transition or expecting any disadvantage from it. The advantages detected during our studies were concerning mainly wrong sustainable implementations, leading to disadvantageous effects, explained in 4 academic articles covering 13% of the total sample. Other types of disadvantages are arising from unsustainable behaviors of consumers, counting 3 articles explaining such issue and covering 10% of the total sample. Two more academic contributions focused on different issues such as greenwashing and scarce resource availability. From the total sample selected in this literature review, 21 articles have not mentioned any kind of disadvantage during the studies. The following table 1.9. (Tab. 1.9. Explain the Disadvantages) give a more precise overview of the aforementioned issues faced by the scientific literature. As explained graphically by the following table, there are important challenges associated with implementing sustainable actions. One significant consideration to do is regarding the risk of incorrect or inadequate implementation, which can lead to increased production costs, compromised product quality, or ineffective outcomes connected to customer expectations. Additionally, consumer behavior is influencing the entire fashion industry, as some consumers prioritize affordability and trends over sustainability, hindering the advantages of adopting sustainable products. Furthermore, the phenomenon of greenwashing matters to consumers, as companies may create wrong sustainable communicational efforts, lowering overall consumer trust. Lastly, the availability of sustainable resources can be limited, making it challenging for fashion companies to source and use eco-friendly materials on a large scale.

**Tab. 1.9. Explain the Disadvantages**

<b>Explains the Disadvantages</b>		<b>30</b>
	No	21
	Yes	9
	Wrong Sustainable Implementation	4
	- <i>Regulatory bodies and institutional pressures influencing companies' natural responsible choice</i>	1
	- <i>Referring to CE as a singular rather than a collaborative business model</i>	1
	- <i>Poor quality distribution and production due to lack of effective coordination and knowledge</i>	1
	- <i>Dependency on deeply rooted traditional business models, not having the capabilities to shift to a more responsible solution</i>	1
	Consumers' Behavior	3
	- <i>Poor consumers' willingness to adopt a sustainable choice</i>	1
	- <i>Lack of trust in PSS</i>	1
	- <i>Consumers not willing to pay more for higher quality sustainable products</i>	1
	Greenwashing	1
	- <i>Portray the products or practices as environmentally friendly to mislead consumers</i>	1
	Scarce Resource Availability	1
	- <i>Fashion libraries facing materials availability issues</i>	1

*Source: our elaboration (2024)*

Another key element for this literature review concerns RQ2, from paragraph “1.1.1. Literature review protocol and Research Questions definition” (**RQ2** → What are the key drivers and barriers to the integration of sustainability into the business models of fashion companies?). The twelfth node developed in this research has the specific aim to contribute with an answer to the described research question. From the total sample selected in this research, 14 academic articles do not mention any barrier faced for the integration of sustainable business models or, more generally, sustainable behaviors. The latter covers 47% of the total sample’s contributions. On the other hand, 16 academic contributions give different kinds of barriers explanations, concerning not only the implementation of sustainable business models but also many other aspects influencing the fashion industry. The major barrier highlighted by the scientific literature is considering knowledge limitations, not helping businesses and organizations in a shift toward circular methodologies or sustainable models. In total, 7 articles mention barriers arising from knowledge issues, covering 23% of the total sample. As explained and highlighted in this chapter nodes, consumers’ behaviors and habits greatly influence the fashion industry in all its aspects. The resistance to change from both consumers and organizations is a frequent barrier detected in our analyzations, with 5 articles mentioning such issue, covering 17% of the total sample. 5 more articles from the selected sample cite issues concerning trust barriers, arising from novel sustainable methodologies that are not yet spread among consumers and organizations and therefore not contemplated. The latter covers 17% of the total sample. Two academic articles cite barriers concerning financial issues that might limit organizations’ willingness to shift to sustainable business models. These barriers cover 7% of the total sample. The same happens with barriers imposed by regulatory bodies, cited in 2 different contributions. Lastly, only one contribution cites barriers arising from supply chain structures adopted in the fashion industry. The following table 1.10. (Tab. 1.10. Explain Barriers) go deep into the investigation of the barriers detected from the scientific literature. While implementing sustainable choices, companies often encounter the above-mentioned barriers that decrease their progress stages. Considering knowledge barriers, the lack of understanding or awareness about sustainable practices and their potential benefits leads to a substantial disadvantage for fashion companies. Connected to the previous point, we acknowledge how resistance to change is bringing hesitation to adopt new methods or technologies due to uncertainty or fear of disruption. Fundamentally, the issue revolves around the capability of the fashion industry to adapt to new disruptive measures and technologies. Consumers’ and internal stakeholders’ trust issues can arise from distrust towards sustainability claims, especially if a company has inconsistent practices. It is

also crucial for a company to understand if investments in sustainability are truly feasible in the long term. On the other hand, regulatory barriers can create challenges and add further uncertainty to sustainability practices if the communicational effort is not collaborative between parties.

**Tab. 1.10. Explain Barriers**

<b>Explain Barriers</b>		<b>30</b>
	No	14
	Yes	16
	Knowledge Barriers	7
	- <i>Absence of successful CE Business Models limiting a wider adoption in the textile industry</i>	2
	- <i>Lack of awareness and interest in sustainable actions as a major problem for the implementation of CE in Businesses</i>	1
	- <i>Lack of communication and collaboration</i>	1
	- <i>Lack of Ownership</i>	1
	- <i>Entrepreneurial Challenges as a limit to sustainable implementation</i>	1
	- <i>Lack of technological adaptation leading to a knowledge gap</i>	1
	Resistance to Change	5
	- <i>Hygiene perspective and limitations of users for sharing garments instead of buying</i>	1
	- <i>Preferring status-quo and emotional value rather than valuing a sustainable choice due to information overload and reluctance</i>	1
	- <i>Issues concerning Consumers' dominant mindset with a need to shift from ownership to access with the mutual assistance of many fashion actors together</i>	1

	- <i>Slow adoption of ethical clothing products due to: lack of information, accessibility, fashionability and good value for price perception</i>	1
	- <i>Not willing to rent a fashion item because of lack of prior experience with the service</i>	1
	Trust Issues	5
	- <i>Major barriers coming from lack of trust of PSS providers in terms of delivery, practicality and technicality</i>	1
	- <i>Lack of Market acceptance</i>	1
	- <i>Consumers negative attitude toward fast fashion brands sustainability claims</i>	1
	- <i>Lack of trust in service providers in term of size and quality issues, control over the end result and hygiene concerns</i>	1
	- <i>Distrust in health safety</i>	1
	Financial Reasons	2
	- <i>Lack of Economic Benefits</i>	1
	- <i>Price of PSS should be in balance between rental and purchase</i>	1
	Regulatory Barriers	2
	- <i>Difficulties from Businesses in adapting to regulatory impositions</i>	1
	- <i>Lack of supporting regulations for the implementation of Circular Business Models</i>	1
	Supply Chain Barriers	1
	- <i>Lack of communication from the variety of actors and their activities, influencing a company Supply Chain for a sustainable behavior</i>	1

*Source: our elaboration (2024)*



The thirteenth node allowed us to enrich our investigation with a series of consequences coming from the contribution of the selected authors in the academic literature. Such research implications helped to build contributions and considerations that are fundamental for the scope of this paper, also influencing future research directions. In the studies conducted for this node, results show how 12 academic contributions have not offered any research implication during the final stages of the research itself. Papers with such traits cover 40% of the total sample considered. On the other hand, we have detected 18 total contributions aiming at analyzing further research implications generated from the study conducted. The latter are covering 60% of the total sample. Focusing on a more detailed vision of such node, 8 articles contributed to build implications that generate integrations for future research in the specific field of interest (Sustainable BM in the fashion industry). Those 8 articles cover 27% of the total sample. Other 5 contributions express some methodological enhancement arising from the results of the conducted studies. These contributions cover 17% of the total sample. Three academic contributions aim to explore the implications arising from the interactions among variables, both dependent and independent. The latter cover 10% of the total sample. Finally, the 2 last contributions investigated share implications with regard to important validation of findings, covering 7% of the total sample. The following table 1.11. (Tab. 1.11. Research Implications) is structuring the thirteenth node with a more detailed explanation. Most of the implications arising from our investigation are connected to typical research limitations explained and encountered by the different authors, such as the need to enrich data with further analysis, the need to further investigate consumers' behavior in specific fashion rental contexts but also the importance of conducting future researches aiming to include a significant sample of businesses that are adopting fashion practices. Furthermore, some crucial validations of findings have been treated in this specific academic literature, considering the need to explore a wider geographical context to test the concrete effects of a sustainable implementation from a company performance standpoint.

**Tab. 1.11. Research Implications**

<b>Research Implications</b>		<b>30</b>
	No	12
	Yes	18
	Integration for Future Research	8
	- <i>Validate findings through qualitative analysis and enrich data through comparative analysis among different countries considered</i>	1
	- <i>Exploring consumer behavior in the context of subscription models for future considerations</i>	1
	- <i>Need for future research to further investigate consumer attitudes towards sustainable clothing in the context of the Circular Economy (CE</i>	1
	- <i>Future research should explore and provide insights into the challenges and opportunities associated with fully integrating a commitment to sustainability</i>	1
	- <i>Future research should delve into how fashion rental services can effectively meet the diverse needs of consumers at different life stages</i>	1
	- <i>Future research should focus on developing strategies to effectively address the challenges of fashion business models</i>	1
	- <i>Inventing new marketing and branding tactics specifically designed for hyper-personalized consumption, covering product development, pricing, place of distribution, and promotion methods</i>	1
	- <i>Future research should expand the sample to include companies from various industries, ensuring a diverse representation of business</i>	1

	<i>experiences that successfully combine innovation and sustainability</i>	
	Methodological Enhancement	5
	- <i>Avenue for future studies to enhance methodology by combining both qualitative and quantitative methods to gain a more comprehensive understanding of both companies and consumer behavior</i>	1
	- <i>Future research should explore more advanced conjoint experiment designs, such as adaptive choice-based conjoint experiments</i>	1
	- <i>A more inclusive approach may enhance the understanding of sustainability challenges and opportunities in future studies</i>	1
	- <i>Development of a measurement system, utilizing the American Customer Satisfaction Index (ACSI) model, to calculate customers' perceptions of economic, environmental, social, and cultural performance in the fashion industry</i>	1
	- <i>Future research should aim for larger-scale investigations using a mix of qualitative and quantitative methods. This approach would provide a more robust and comprehensive understanding</i>	1
	Exploring Interactions of Variables	3
	- <i>Further exploration of the interaction between consumers and businesses in bringing about circularity is needed to gain better insights on the implementation of CE Business Models</i>	1
	- <i>Barriers to digital CBM adoption, study macro-level effects on the global fashion value chain and conduct economic and sustainability performance</i>	1

	<i>measurements for digital CBMs compared to traditional models</i>	
	- <i>Need for increased consumer education and awareness regarding new circular fashion models. Businesses should focus on informing consumers about environmentally friendly practices, especially in the context of circular solutions like slow fashion</i>	1
	Validation of Findings	2
	- <i>Need for future empirical research to test the direct effects of business sustainability capabilities on business sustainability competence and firm performance</i>	1
	- <i>Need for further empirical fieldwork from different geographical contexts to validate the preliminary findings</i>	1

*Source: our elaboration (2024)*

For the fourteenth node of this current study, the outcomes of the academic literature review have been investigated to understand what the main practical implications for a transition toward a sustainable business model are, faced by fashion companies. From all the 30 articles composing the total sample of investigation, 9 academic contributions do not mention any type of practical implication arisen during the investigations of the study. The latter cover 30 % of the total sample selected. On the other hand, 21 academic articles support a contribution in explaining specific practical implications that fashion companies may face. Those cited articles cover 70% of the total sample. Furthermore, we can distinguish four main types of practical implications, each one having a specific influence over the businesses or, more generally, over the fashion industry as a whole. The most cited practical implication faced during our investigations is with regard to strategic transition, with 7 academic articles treating them. The latter covers 23% of the total sample. With 5 mentions each, we found two different types of practical implications categorizable as marketing strategies and collaborative approach implications. Each cover 17% of the total sample. Lastly, with 5 academic contributions explaining it, we encountered value proposition enhancement implications. This last implication covers 13% of the total sample. The following table 1.12. (Tab. 1.12. Practical Implications) offer more details for the aforementioned node. The practical implications arising from the literature review highlight the strategic transition towards sustainable models, emphasizing the need for sustainability reporting, digital technologies for transparency and circular economy adoption. Marketing strategies should evoke emotional connections while balancing CSR communication to avoid perceived hypocrisy. Specific collaborative approaches, including stakeholder engagement and strategic partnerships, are crucial for driving sustainable change with a focus on the present sector needs. Lastly, value proposition enhancement involves emphasizing garment usage over ownership and aligning sharing models with consumer preferences, which is once again confirming the validity of our first research question (**RQ1**→ Considering modern urgencies, how the adoption of sustainable business models in the fashion industry contribute to brand differentiation and customer loyalty?).

**Tab. 1.12. Practical Implications**

<b>Practical Implications</b>		<b>30</b>
	No	9
	Yes	21
	Strategic Transition	7
	- <i>Clothing manufacturers aiming to transition from fast to slow fashion models should prioritize sustainability reporting, invest in digital technologies for supply chain transparency (e.g., blockchain), and promote benefits of using sustainable materials through marketing campaigns</i>	1
	- <i>The Fashion industry should prioritize business model innovation as a key tool to successfully implement the circular economy (CE)</i>	1
	- <i>Rethinking logistics costs such as having consumers contribute to shipment costs for clothing donations</i>	1
	- <i>Managers are urged to embrace digital transformation, particularly in transitioning to digital circular fashion businesses. This entails not only adopting recycling and reuse strategies but also collaborating with technology</i>	1
	- <i>Companies should strategically plan their sustainability initiatives, taking into account customer expectations and perceptions across economic, environmental, social, and cultural dimensions</i>	1
	- <i>Fashion firms aiming for business sustainability competence should strategically focus on developing three main competencies: economic, organizational, and environmental</i>	1

	- <i>Three-pillar framework enabling the possibility to effectively communicate and shift toward a sufficient consumption business model</i>	1
	Marketing Strategy	5
	- <i>Sustainable fashion companies should focus on marketing that resonates with customers emotionally, aiming to create a stronger connection and engagement beyond traditional environmental messaging</i>	1
	- <i>Fashion brands should balance their CSR communication strategies by avoiding self-benefit appeals, which negatively impact green brand image and brand purchase intentions due to perceived corporate hypocrisy</i>	1
	- <i>Providing clear information on service delivery, and addressing concerns about hygiene and product abuse to foster consumer acceptance</i>	1
	- <i>Emphasizing the practical aspects of the service (e.g. save space and money), along with its potential to contribute to sustainability, can appeal to consumer preferences</i>	1
	- <i>Influence Customers sustainable behavior is possible only through the integration of marketing strategies</i>	1
	Collaborative Approach	5
	- <i>A call to action for collective efforts to drive sustainable change in the fashion supply chain from each and every single stakeholder interested</i>	1
	- <i>Businesses in the fashion industry should focus on educating consumers about the principles and benefits of circular economy practices, particularly in the context of slow fashion, upcycling, and</i>	1

	<i>patchwork. Improving access to information on pro-environmental behaviors can contribute</i>	
	- <i>Entrepreneurs in the fashion industry should actively seek strategic collaborations between incumbent fashion companies and born-sustainable startups within an open innovation framework</i>	1
	- <i>Adopting circular business models in the fashion industry requires organizations to collaborate across professions, departments and organizations to overcome challenges related to circular design</i>	1
	- <i>Collaborative consumption model enhanced by focusing on two key aspects: customer relationships and partnership development</i>	1
	Value Proposition Enhancement	4
	- <i>Businesses aiming for sustainability in apparel consumption should focus on developing a value proposition that emphasizes the advantages of garment use over ownership</i>	1
	- <i>Sustainable service providers need for strategic alignment of sharing business models with consumer preferences and sustainability orientations to meet the target preferences and wants</i>	1
	- <i>Major Brands improving traceability and transparency in their “sustainable collections” to build brand trust</i>	1
	- <i>Fashion companies should leverage 4IR technologies and innovative business models to address the three prime goals: hyper-personalization, environmental sustainability, and</i>	1



	<i>productivity. This to avoid unbalance demand, supply and waste</i>	
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*Source: our elaboration (2024)*

Finally, the fifteenth and last node of this paper investigates on policy implications arisen from the fashion industry and its regulatory bodies influences. The great majority of the articles treated in our sample do not share any policy implications during the studies proposed. To be precise, 19 articles do not mention any situation in which policymakers or regulatory bodies are influencing the fashion industry sector. The latter cover 63% of the total sample. As we are approaching key sustainable factors in this systematic literature review, it may appear ambiguous to obtain such results. Therefore, we insist on highlighting what have been presented in figure 1.1. (Fig. 1.1. Process of article selection following the PRISMA methodology), stressing how our academic article sample selection, especially in the abstract consultation phase, aimed at finding contributions that were focused on the implementation of sustainability as a competitive technique from a business stand point (Paragraph 1.1.1 Literature review protocol and Research Questions definition - **RQ1**→ Considering modern urgencies, how the adoption of sustainable business models in the fashion industry contribute to brand differentiation and customer loyalty?), mainly to attract consumers and satisfy their expectations. Regardless of this last explained consideration, our investigation led to 11 academic contributions that mention or express any policy implications findings during the research. The latter cover 37% of the total selected sample. Three main areas of interactions for policy implications have been found. Firstly, 7 contributions express a set of recommendations for policymakers to adopt, to effectively influence the industry in a positive manner. The latter cover 23% of the total sample. Secondly, there have been 3 articles mentioning collaborative approach activities in the shape of policy implications. The latter cover 10 % of the total sample. Finally, only one article highlights some aspect to exploit, as policy makers, to offer support to those subjects acting in the fashion industry with a sustainable approach. The following table 1.13. (Tab. 1.13. Policy Implications) identify a more detailed look over the last node treated in this paper. This investigated policy implications from the fashion industry literature highlights the importance of regulatory measures to incentivize sustainable practices, including sustainability reporting, investment in digital technologies, and adoption of circular innovations. Policymakers, on their hand, should prioritize circular economy policies and strategies that address the entire fashion sector and facilitate a radical shift toward sustainability. Collaboration between policymakers and businesses is obviously crucial, with policymakers' efforts to create supportive regulatory environments. Furthermore, policymakers can contribute to the success of sharing business models through educational support initiatives that aim to enhance sustainable knowledge among companies and their employees.

**Tab. 1.13. Policy Implications**

<b>Policy Implications</b>		<b>30</b>
	No	19
	Yes	11
	Recommendations For Policymakers	7
	- <i>Policymakers should consider implementing regulations and incentives that encourage apparel companies to prioritize sustainability reporting, invest in digital technologies (e.g., blockchain) for transparent supply chains and adopt sustainable practice</i>	1
	- <i>Regulations promoting transparency in supply chains, incentivizing circular innovations, and encouraging partnerships can contribute to the industry's shift towards more sustainable and circular practices</i>	1
	- <i>Policymakers should adopt a comprehensive circular economy policy that considers the entire fashion ecosystem and its challenges</i>	1
	- <i>Policymakers should consider strategies to incentivise and facilitate the radical shifting of the CE effectively in fashion businesses</i>	1
	- <i>Policymakers should focus on implementing regulations that enhance transparency in the fashion industry</i>	1
	- <i>Policymakers should target various business areas and use a multidimensional model, such as the Triple Bottom Line (TBL), to measure sustainable value objectives with the aim to create a supportive environment that encourages companies to adopt a sustainable business models</i>	1

	- <i>Formulate and implement policies that foster a systematic approach to sustainable innovation covering individual, business, and community levels</i>	1
	Collaborative Approach	3
	- <i>Policymakers can encourage collaborations by creating a regulatory environment that supports and rewards businesses</i>	1
	- <i>Policymakers should encourage knowledge sharing by creating platforms or initiatives that facilitate such approach</i>	1
	- <i>Countries adopting SDG 12 'Responsible Consumption and Production' as a social contract to impose such principles to public and commercial domain</i>	1
	Policy-makers Support	1
	- <i>Policymakers can contribute to the success of sharing business models by providing educational support to practitioners</i>	1

*Source: our elaboration (2024)*

### 1.3. Discussion

To further enrich the results discussed in the previous sub-chapter, the following table 1.14. (Tab. 1.14. Trends and drivers of sustainability-related business model innovation for fashion businesses) allow us to examine the scope of this current paper, aiming to understand how the adoption of sustainable Business Models is contributing to brand differentiation and customer loyalty in the fashion sector. The source of the following results is extrapolated from an academic contribution (Todeschini et al., 2017).

**Tab. 1.14. Trends and drivers of sustainability-related business model innovation for fashion businesses**

Macro-trend	Driver of sustainable innovation	Where does it drive innovation in the business model?	Examples of innovative and sustainable business models in fashion
Circular economy	Recycling	Cost structure, key activities, key partners	Incumbent: Adidas Startup: Orange Fiber
	Vegan	Key partners, key resources, channels, value proposition	Startup: Preza
	Upcycling	Key resources, key activities, value proposition	Startups: Colibrii, Revoada, Preza
Corporate social responsibility	Sweatshop free	Customer relationship, key resources, key activities	Incumbent: American Apparel
	Fair trade	Customer relationship, key partners	Incumbents: People Tree, Eileen Fisher Startups: Colibrii, Revoada
	Locally sourced	Customer relationship, value proposition, key partners	Startups: Contextura, Lanieri, Orange Fiber, Revoada, Colibrii
Sharing economy and collaborative consumption	Fashion library	Customer relationship, value proposition, revenue streams	Startups: LENA, Rent the Runway
	Second hand	Value proposition, channels, customer relationship, key activities, revenue streams	Startup: Armadio Verde
	Collaboration	Key partners, key activities, key resources, delivery channels, customer relationship	Startups: Armadio Verde, Preza, Revoada
Technological innovation	Sustainable raw materials	Key resources, customer relationship, cost structure	Startups: Orange Fiber, Contextura
	Zero waste	Key resources, key activities, cost structure	Startups: ELSE Corp, Orange Fiber, Zero Waste Daniel, Contextura
	Wearables	Key resources, key activities, key partners, value proposition, cost structure	Startup: Ringly
Consumer awareness	Capsule wardrobe	Customer relationship, value proposition, revenue streams	Drivers generated mainly by consumer behavior Startups: Armadio Verde, Contextura, Preza, Lanieri
	Lowsumerism	Customer relationship, value proposition, revenue streams	
	Slow fashion	Value proposition, customer relationship	

*Source: Innovative and sustainable business models in the fashion industry - Entrepreneurial drivers, opportunities, and challenges (Todeschini et al., 2017)*

Many of the sustainable practices mentioned in the above table 1.14. (Tab. 1.14. Trends and drivers of sustainability-related business model innovation for fashion businesses) are perfectly matching the node results seen in the sub-chapter 1.2. (1.2. Results). From an innovational standpoint, sustainable practices prove to be a fundamental driver in the fashion industry's business models. As confirmed by Todeschini's research, also matching this paper's investigations, the implementation of CE (circular economy) is driving innovational traits through recycling and upcycling, specifically affecting companies' cost structures and key resources exploited to create new value propositions. Moreover, fashion libraries and other sharing economies business models are enhancing customer relationships with brands that explicitly share sustainable activities in their core operational systems. Technological innovation, on the other hand, is largely facilitating the shift toward zero waste of key resources, lowering cost structures, and allowing new value propositions with 3D knitting. Printing garments with sustainable materials through available innovative technologies is radically changing the fashion market, from both the customer and company sides. A current fashionable example is the MSCHF "big red boot", the 3D printed red boots selling for luxurious prices. The boots recorded rapid sold-out on the launch day, due to the enormous trend created over the sustainable production and innovative 3D printing communicational effort. This is what pushes us to always consider consumers' awareness. The behavior of the latter is constantly influencing the drivers of the fashion sector, inspiring companies to adopt a kind of business model that is shaping lowsumerism and slow fashion behaviors.

By discussing the results of the fifteen proposed nodes, is interesting to highlight, once again, how the lack of interest among professionals in the fashion industry academic literature is shaping the awareness and knowledge barriers we learned about in the previous paragraphs. The natural outcome of such a finding is the reduced implementation of business models that present sustainable traits in the core philosophy of the majority of fashion brands. As we have already explained, in such a polluting industry, sustainability needs to be seen and exploited as a common resource, that is mutually reinforcing companies' capabilities and performances which are usually acting for a better environmental footprint. These considerations find no space to manifest themselves if entrepreneurs and key stakeholders do not overcome the knowledge and awareness barriers. For this exact reason, we find it consistent to suggest to academic contributors to opt for future collaboration in future researches, in common action with key entrepreneurial stakeholders.

The results obtained regarding the locations where the academic studies were conducted have a clear meaning. The heart of the fashion industry is in Europe and the main significant sources of investigation are coming from important Italian maisons. This is in fact the geographical area in which sustainable matters have the higher impact of implementation, as big brands have a great market share where they can exploit their communicational effort also to educate consumers on environmental issues. (e.g. Gucci sustainability strategy – Gucci equilibrium).

It is evident how sustainable findings are really poor when we consider the Asian continent. In the “location of the study” node, we have noticed how only a few academic contributions were conducted in China, confirming the inability to act sustainable in certain geographical spaces where fast fashion is the predominant driver of the market. The incumbency of new Asian fast fashion online platforms, such as Temu or Shein, is not allowing any room to behave sustainable both nationally and globally. Academic contribution in those areas is not enriching the nature of our research questions in the current Asian fashion market state.

With a focus on the research methods adopted in the sampled literature, our discussion need to highlight how predominant results were given by the exploitation of case studies, as in the case of this academic paper we are conveying. It is evident that the fashion sector is an industry where the sharing of sustainable implementation experiences is changing the overall perception of key stakeholders in choosing innovative business models. Our research has mainly found case studies of medium-sized companies from the academic literature, acting in a niche market to satisfy the needs of a niche population (e.g. PSS or fashion libraries in Nordic Countries). It is yet important to consider the result of online survey investigations, as our academic paper shows to be particularly customer centric. One of the key drivers we had the opportunity to delve in the previous paragraphs is without a doubt the influence of consumers’ behavior, specifically in terms of sophisticated expectations in an everchanging sector. As consumers increasingly prioritize sustainability in their purchasing decisions, fashion brands are compelled to respond by offering more eco-friendly and ethically produced products to meet this radical demand. Moreover, consumer demand shapes market trends and influences industry standards. As sustainable fashion gains popularity among consumers, it becomes a competitive advantage for brands to incorporate sustainability into their business models. Once again, the previously mentioned MSCHF’s red boots are a brilliant example to englobe these considerations, finding the perfect balance to offer sustainable design, which is a core trait in sustainable business models in the treated sector.

This study has encountered several diverse fashion sectors in which academics decided to focus the effort of their research considerations. The apparel and fast fashion industry has been treated with the highest percentage of investigation interest by academics. These sectors attract significant attention due to their notable environmental impact, decreasing from resource-intensive production processes, widespread use of synthetic materials, and large volumes of textile and water waste generated. Moreover, their worldwide reach and industry trends make them focal points for exploring strategies to mitigate environmental harm and promote sustainability. Researchers and academics have investigated various aspects in these sectors, including supply chain management, material sourcing, production techniques, and end-of-life processes, with the aim to seek innovative solutions to address the complex sustainability challenges faced naturally by the apparel and fast fashion sectors. Understanding and improving the sustainability performance of apparel and fast fashion companies is, undoubtedly, a critical step toward an advancement to a more environmentally responsible and socially conscious fashion industry.

As the title of this academic work suggests, the investigation has been treating all those market advantages encountered by companies with the implementation of sustainable behaviors. In the “Objective Regarding Sustainable Business Models” node we see a considerable number of academic contributions focusing on investigating the implementation of sustainability for an environmental change, alongside the implementation aiming at obtaining a market advantage.

By adopting sustainable practices, the previous nodes have demonstrated that fashion companies can differentiate themselves in the market, enhancing brand reputation and increasing appeal to a growing segment of environmentally conscious consumers. This naturally leads to increased customer loyalty, market share growth and overall increased profitability.

Moreover, implementing a sustainable business model in the fashion industry is also about driving change within the industry and broader society. Fashion trends and actions, from a communicational standpoint, have a significant environmental and social impact, including issues such as resource available, pollution, and labor rights violations. By embracing sustainability, fashion companies can contribute to positive change by reducing their environmental footprint, improving working conditions in supply chains, and communicationally promoting responsible consumption patterns among consumers. This can lead to radical changes within the industry and inspire other businesses to follow along the path, contributing to a more sustainable and equal future for fashion.



As the fashion sector is constantly evolving, so are the wide range of technological tools available to the industry itself. Investigating the various technologies currently exploited in fashion, major results arise from the possibility of implementing digital solutions. The latter are increasingly prominent in the fashion industry due to their versatility and scalability, but specifically for the ability to address various sustainability challenges. Among the digital solutions listed in the dedicated node, rental services for clothing, digital platforms supporting sustainable behaviors and 3D technologies stand out as particularly spread and widely adopted. Additionally, digital platforms that support sustainable behaviors, such as promoting responsible consumption and educating consumers about sustainability, are effective tools for increasing awareness and engagement among consumers.

3D technology on its own is revolutionizing the industry by introducing virtual interactions and personalized experiences, maximizing user satisfaction with all the brands' touchpoints. Consumers can exploit these platforms to visualize and customize virtual garments, reducing the need for physical prototypes and minimizing waste in the design process. This technology also facilitates accurate sizing and fit, reducing returns and improving overall customer satisfaction, which is another key performance indicator of customer loyalty.

Finally, digital solutions such as social media engagement, online marketplaces, and augmented reality (AR) experiences are increasingly enhancing customer engagement, co-creation and value delivery, allowing brands to connect with consumers on a deeper level of loyalty.

Among the various applications of sustainability cited in the academic literature, as we expected while building the node considerations, circular economy and sharing systems implementations have shown to be the dominant choices in the industry of fashion sustainable matters. These approaches offer solutions to address environmental concerns by promoting resource efficiency and the reduction of waste by minimizing the industry's ecological footprint. Additionally, they follow growing stakeholder demands for sustainable practices, including consumers, investors, and regulators, positioning fashion companies as leaders in ethical and environmentally conscious business practices, always considering the polluting industry that the fashion sector is. Furthermore, CE and sharing systems raise innovation and collaboration across the industry, driving efficiency improvements and promoting the development of new business models that bring innovative traits to the market. By engaging consumers in more sustainable consumption practices and adapting to evolving market preferences, fashion companies can still maintain competitiveness and relevance

in an increasingly sustainability-driven market landscape. In this modern era, this last consideration can arise only if the businesses from the fashion industry choose to implement a suitable sustainable application, considering their core activities, brand goals and environmental necessities that are influencing the market demand.

The dichotomy revealed in this paper between the advantages and disadvantages of a sustainable implementation, in business models traits terms, has clarified several aspects that the ownership of any brand must consider before shifting to new sustainable adoptions. This paper suggests to carefully consider the outcomes of such business integration as gaining a competitive edge, enhancing sustainable choices or behaviors among consumers and contributing to environmental and social responsibility are undeniable reasons to pursue sustainability initiatives because they can lead to increased brand loyalty, market differentiation and long-term profitability.

However, it is equally important to recognize the potential disadvantages, such as the risk of incorrect implementation leading to increased costs or compromised product quality, challenges in changing consumer behavior towards sustainability and limitations due to scarce availability of sustainable resources. By systematically evaluating both the advantages and disadvantages, fashion brand managers and CEOs can develop strategies to maximize the benefits of sustainable business models while minimizing potential difficulties.

In the attempt to explain the barriers to the implementation of sustainable business models, this research have delved into various aspects that are worth to be explained, specifically addressing our second research question from paragraph “1.1.1. Literature review protocol and Research Questions definition” (**RQ2** → What are the key drivers and barriers to the integration of sustainability into the business models of fashion companies?). Those barriers represent significant challenges that can impede progress toward sustainability goals. During the construction of the dedicated node we have mentioned knowledge barriers, such as lack of communication, collaboration, and awareness, that impede the diffusion of information and best practices necessary for implementing sustainable initiatives in an effective manner. Overcoming these barriers requires substantial education, knowledge-sharing platforms, and increased awareness among key sectors and interested stakeholders.

Resistance to change, on the other hand, is critical as behaviors can hinder the adoption of sustainable practices. Addressing consumer preferences, mindset shifts and concerns about new business models is essential for promoting the acceptance of sustainable alternatives already available. Moreover, concerns about product quality, delivery and safety, can challenge consumer confidence in sustainable offerings. Building trust through transparent practices and activities, quality assurance, and effective communication is vital for overcoming these barriers.

More than half of the academic papers retrieved for this current investigation have brought to the attention of research implications, which are crucial for the validation of the findings we are offering, giving a context where opportunities and gaps must be conveyed. The main focus extrapolated from our sample of interest is considering future research and methodological enhancements. The integration of findings for future research invites academics to validate findings through qualitative analysis, exploring consumer behavior in sharing subscription models and delve into attitudes towards sustainable clothing within the Circular Economy (CE) context. Additionally, research should meet diverse consumer needs in fashion rental services and creating marketing strategies for hyper-personalized consumption. Methodological Enhancement, on its hand, is suggesting a need to combine qualitative and quantitative methods, exploring advanced conjoint experiments and develop measurement systems to assess customers' perceptions. Larger-scale investigations using a mix of methods are highly recommended to provide a more robust understanding. All of the above considerations can be mutually reinforcing if the research is held with a collaboration between academics and professionals in the fashion field.

To bridge the gap between theory and practice, we made an attempt to develop a dedicated node for practical implications arising from the academic literature. Once again, results must be carried out to the audience of this paper as they offer a path for future structured literature studies in the field. For the impact of the current study on the industry practices, we have focused on several research implication traits, as it happens in strategic transition where clothing manufacturers are transitioning to slow fashion by prioritizing sustainability reporting, investing in digital supply chain transparency and advocating for sustainable materials. In this particular context, business model innovation is fundamental for circular economy implementation, alongside the previously mentioned adoption of digital solutions. On the one hand, strategic planning considers customer expectations across economic, environmental, social, and cultural dimensions, while firms focus on

developing economic, organizational, and environmental competencies. This is the exact space of action where entrepreneurs should emphasize customer relationships and partnership development. A solution could be to provide a clear service delivery information and highlight practical benefits that can raise consumer acceptance and sustainable behavior. Finally, we must again highlight how collaborative efforts are essential for driving sustainable change in the fashion supply chain, encouraging partnerships between established companies and local shops that are already promoting substantial sustainable alternatives (e.g. PSS).

To conclude our rigorous systematic literature review, we dedicated a node to the discovery of policy implication matters within the fashion industry, with the aim to offer practical insights on how academic contributions, as in this case, are contributing in the influence of policymaking within the industry. Policymakers obviously play a crucial role in supporting the adoption of sustainable business models by providing educational support to practitioners and, more generally, to the fashion audience. This might include initiatives aiming at raising awareness and providing concrete technical assistance to businesses transitioning towards more collaborative and sustainable practices. By investing in education and educational programs, policymakers can convince stakeholders to embrace various sharing economy models, ultimately contributing to a more sustainable future for the fashion industry. Finally, we acknowledge how policymakers can influence international frameworks such as the Sustainable Development Goals (SDGs), particularly SDG 12 which focuses on responsible consumption and production, and makes it a guiding principle to embed sustainability principles in fashion domains. With this SDG alignment, policymakers can promote responsible consumption and create a welcoming environment for sustainable business models to thrive.

#### **1.4. Literature review conclusions**

This academic paper was created and structured with the specific aim to understand how the adoption of sustainable business models might benefit the second most polluting industry on our planet Earth. The rigorous review of this first chapter has contributed by conveying different insights of different shapes and magnitudes, developing fifteen distinct nodes that served as founding pillars in our research.

Throughout the entire research, we have pointed out how the lack of interest in such a critical field is bringing clear slow sustainable implementation results. Academics are the major research contributors to sustainability in the fashion academic field. This paper will try to invert the trend in the second chapter, with a concrete contribution coming from the experiences of professionals from the fashion field. The suggestion that we share is to embrace sustainability as a mutually reinforcing implementation, that creates advantages and benefits to the entire fashion system, even more if implemented with the collaborative effort of all key stakeholders. An increase of awareness and education is needed, as sustainable fashion is still seen as niche yet not appealing market because of the incumbency of cited Asian fast fashion alternatives.

This contribution highly recommends to further investigate the above seen results, building a wider spectrum of investigation in different countries and different fashion systems. A mixed method research appears to be the most suitable approach for the traits and characteristics of such an ever-changing field, influenced by drivers of the market and by disruptive design trends.

To conclude, we must point out that this academic paper, with all the considerations encompassed in it, is the result of a deep academic investigation that reveals a limitation created by the number of academic papers included in the research. Further investigations are suggested to confirm findings, considering a wider sample of investigation that goes beyond the articles selected for this paper.



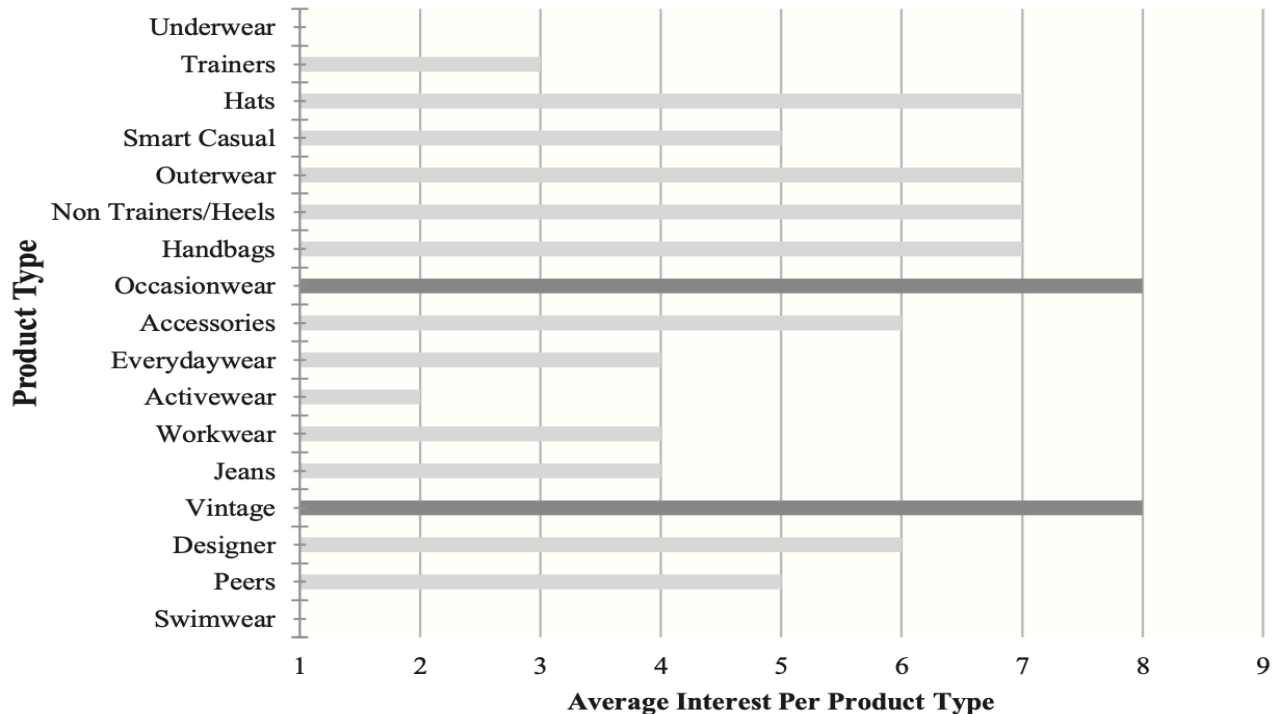
## **Chapter 2: Patagonia case study – a contribution from an expert in the field of sustainable fashion business models.**

### **2.1. Chapter introduction: an academic contribution aiming to generate mutual collaboration with fashion industry experts.**

From the wide range of relevant results coming from the rigorous literature review of the previous first chapter (Chapter 1: The Fashion industry and the adoption of Sustainable Business Models: A structured literature review) there are a series of key takeaways that we should take into consideration as drivers for the fashion industry. We have delved and analyzed a variety of business models that are currently offering sustainable solutions to the industry of fashion but, at the current stage of this academic contribution, we can synthesize them into five major categories: Circular Economy, Corporate Social Responsibility, Sharing Economies, Technological Innovation and Consumer Awareness. Firstly, we have acknowledged how the major and most implemented sustainability trend in the fashion sector can be traced to circular economy (CE), a business model implementation frequently mentioned in the previous paragraphs. All of the issues that we have treated regarding recycling and upcycling are strictly connected to the willingness and appropriate knowledge of key fashion stakeholders to implement circular economy in the structure of their ongoing business models. We have clearly understood that major barriers to the implementation of sustainability happen when we do consider a brand that is already established in the market. If a brand has a big market share in such a competitive environment, the tendency will be to enhance and increase the potential of the already used business models, rather than opting for a more disruptive or radical one. This is the main reason for which brands that are founded with sustainable roots from the first operational moments are more capable of maintaining a coherent environmental footprint, as well as a greater value proposition for modern consumers. The latter described is the case of the repeatedly cited fashion libraries, also known as secondhand stores or collaborative stores. The main takeaways coming from the side of collaborative fashion are surely in terms of an enhanced value proposition. Sharing economies prefer to structure their offers in niche stores with rental options as well as swap services. This is a real case example of fashion companies that are rooted with sustainable efforts from their core internal activities. A study conducted by Mukendi & Henninger in 2020 tried to identify, through an interviewed sample of a population, the “individual’s beliefs and perceptions, as well as better understand their reasoning behind their decisions” (Mukendi & Henninger, 2020) to rent or not a specific garment piece from

fashion libraries. As in the case of this academic contribution, results coming from Mukendi & Henninger investigation are confirming how the real value proposition of fashion rentals and collaborative business models are exponential when it comes to Occasionwear and Vintage clothing. Secondhand garments have become more and more popular through a “vintage marketing” trend that, especially in social medias, is gaining popularity among young communities. Old sports t-shirts and famous denim garments that made the history of fashion clothes are perceived as more fashionable, increasing the perception of consumers in their need to buy vintage pieces. Vintage is perceived as old and unrepeatabe. On the other hand, Mukendi & Henninger investigation is confirming once again the results of the first chapter (Chapter 1: The Fashion industry and the adoption of Sustainable Business Models: A structured literature review) highlighting the limitations and barriers of such an efficient sustainable business model that is affected by hygiene concerns. Results are clearly exposing the unwillingness of consumers to rent secondhand underwear or swimwear. We will focus in this chapter on which are the main sustainable alternatives offered by “Patagonia”, in terms of collaborative approach, that are increasing the firm value proposition throughout the years. (e.g. Worn Wear)

**Tab. 2.1. Fashion Rental Products Interest**



*Source: Exploring the spectrum of fashion rental (Mukendi & Henninger, 2020)*



Continuing with the considerations on the fashion industry major trends revealed in the first chapter (Chapter 1: The Fashion industry and the adoption of Sustainable Business Models: A structured literature review), there has to be a focus on what Corporate Social Responsibility brought in terms of innovative business models implementation. Practices that increment a sustainable footprint, such as fair trade or locally sourced materials for production, are surely enhancing the capability to increase the quality in the relationships established with key stakeholders, customers, partners and suppliers along the chain. Such a trend is strictly connected to the one that focuses on consumers awareness, in terms of knowledge but also in terms of perception of what drives consumers to buy sustainable products. Lowsumerism, as mentioned in the previous paragraphs, is a costumers' behavior that privileges the consumption of slow fashion of fairly produced garments. The individuals' environmental needs that are shaping the demand in the fashion market are constantly influencing the sustainable adoption of big brands, that are almost forced to shift to a feasible value proposition with such constraints in the demand side. The last two trends are, of course, connected to the fifth and last one, treating technological innovation to support these radical business changes. We have deeply explained how 3D adoptions is changing offers and trends in the sector, but we need also to focus on what technology is serving to do to help our planet. Is becoming more and more essential to do everything possible to reduce our waste of water and energy, as well as the uncontrollable carbon emissions that are produced day by day in the second most polluting sector of our planet earth. Alternative usage that brings to life solutions such as fruit fibers for clothes and not polluting materials for garment production is what our technological evolution is offering to the sector. All industry entrepreneurs and key stakeholders are called to embrace these alternatives.

All of the above-revised trends are preparatory for the introduction of what this second chapter will specifically investigate. As we have noticed in the first chapter (Chapter 1: The Fashion industry and the adoption of Sustainable Business Models: A structured literature review), our sample of selected papers have not brought, as a result, to any professional interest in the first "Authors" node of our analytical framework (Tab. 1.2. The Analytical Framework). This is the specific reason for which this academic work intends to offer the results of a collaboration with an expert in the field, who is holding the role of "Retail Environment & Marketing" at Patagonia, who, through a semi-structured interview, is going to share a precious contribution to the fashion industry-academic field, enhancing the quality and structure of this paperwork's findings. Before the above-mentioned contribution from the expert, we will give a vision and a structure of "Patagonia", being a leader in

the field of sustainable fashion in the industry, as well as the investigation of their own Business model adopted.

## 2.2. Case Study: Patagonia

### 2.2.1. Presentation of the Company

“Despite near-universal consensus among scientists that we are on the brink of an environmental collapse, our society lacks the will to take action... **Patagonia** exists to challenge conventional wisdom and present a **new style of responsible business**” (Chouinard, 2005).

The above-cited quote from Yvon Chouinard, Patagonia’s founder, has been given to offer a clear overview of what are the core values that define the sustainable roots from the exact foundation of the company itself.

The entrepreneur was a former owner of a company that produced pitons for climbing named Chouinard Equipment. Following the success of the sold pitons among friends and family for his favorite outdoor activity, Chouinard dedicated and increased the value proposition of the company with handcrafted equipment, expanding the business by importing clothing from Europe and South America. These activities took off rapidly thanks to the innovations introduced by the founder. One great marketing success of Chouinard’s creative business was the adaptation of the Scottish national rugby team shirt used as a piece of climbing equipment. The market demand value of the shirt suddenly increased when the entrepreneur decided to change the company name from “Chouinard Equipment” to “Patagonia”. The decision to put the new logo on the rugby shirts was taken to let customers perceive that the piece of garment offered was not crafted only for climbers but for any kind of user interested in high-quality yet sustainable clothes.

Patagonia was then founded in 1973 in California as a specialized clothing brand offering supply for outdoor gear and climbing equipment. Since then, the company is globally known to be one, if not the most, socially responsible actor in the second most polluting industry in the world.

At the present time, Patagonia sells a variety of products for anyone interested in outdoor activities, always respecting an unconventional sustainable trait toward the environment.

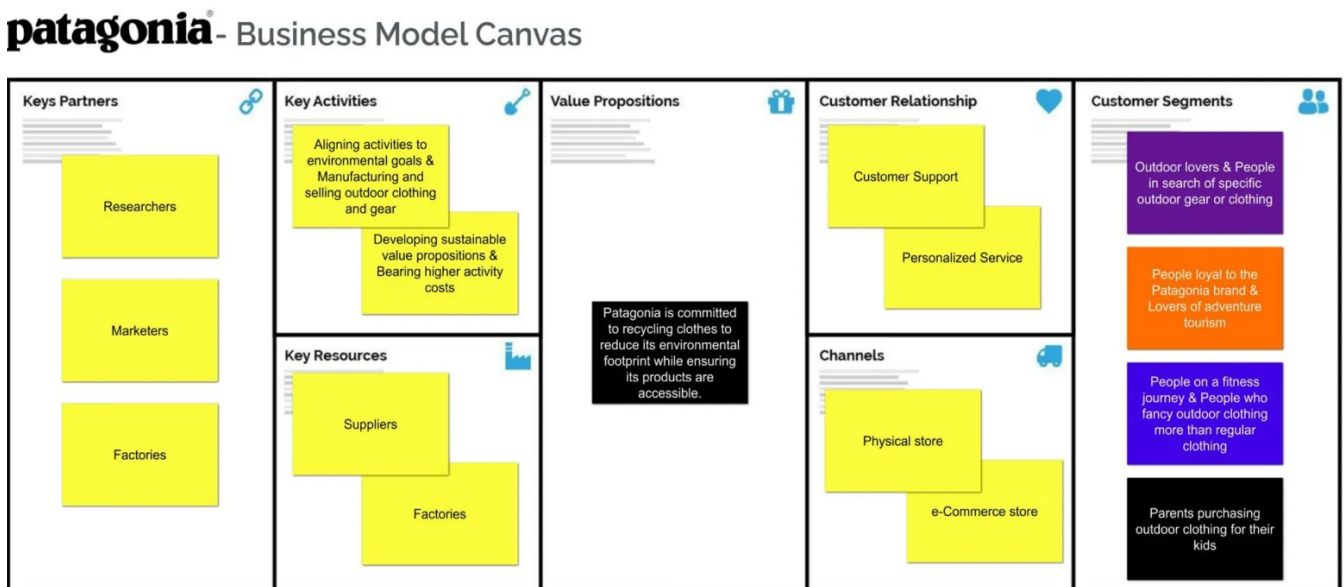
After more than fifty years from the foundation of Patagonia, Yvon Chouinard decided to transfer the ownership of the billion-dollar company to a non-profit organization that is designed to invest Patagonia’s yearly profits in preserving the environment. From what is declared by the company

and by the former owner, a percentage of the annual revenues is given away “to our mission to save our planet earth... As of now, Earth is our only shareholder” (Chouinard, 2022)

### 2.2.2. Patagonia Business Model

In the attempt to deeply analyze the sustainable business performances of Patagonia, the following business model canvas from the “business model analyst” (Fig. .2.1. Patagonia Business Model Canvas) serves as a preview of the canvas we will create on our own, adapting to our investigations the “Costs and Revenue business model canvas” by Professor Carlo Bagnoli, full professor of the department of management at the Ca’ Foscari University of Venice, which is going to offer a more detailed vision on the global structure of Patagonia business model, adding to the framework an analyzation of both costs and revenues that impact the company operational aspects.

Fig. 2.1. Patagonia Business Model Canvas



Source: [businessmodelanalyst.com](http://businessmodelanalyst.com)

We will now offer a brief overview of the Brand’s Business model to then analyze each individual element of which it is composed. Patagonia surely exploits the excellent customer relationship that could build over the last half of a century. Patagonia’s biggest customer segment is represented by a specific target of people who love outdoor activities such as: Hiking, fishing, skiing, snowboarding etc.

The value proposition strategy of Patagonia brand for this kind of targeted consumers is to offer high-quality outdoor gear that satisfies customers' demand while giving them the possibility to respect the nature that surrounds their ongoing activities.

Patagonia acknowledges that the greatest segment of customers is formed by adventurous people, which is the reason why is constantly engaging and offering personalized outdoor activities in every region they are localized in. With the contribution of "Patagonia Montebelluna" store, we will get to know all the workshops and adventurous activities that are offered periodically to loyal Patagonia customers, always highlighting the sustainable spirit they are trying to share in the Veneto region.

The reliance that the brand puts on physical stores gives an idea on how much Patagonia invests on direct service to the end client, offering a wide range of clothing garments and beyond. Obviously, such a modern apparel company must rely on technological services and e-commerce alternatives. Both of these selling channels guarantee an estimated profit of around 100 million dollars of annual revenue. Such a turnover could not be achieved if Patagonia had not nurtured a great network of key resources with its suppliers and factories. The transparency that the company shares on such a trait will be offered in the dedicated subchapter "2.2.4 Suppliers".

Another important network that the company is nurturing is the aforementioned network of key activities offered to its loyal clients. Every single activity is specifically aligned to their manufacturing capabilities, offering outdoor clothing and gears that meet environmental goals. The sustainable value proposition of Patagonia surely applies premium prices for the purchase of its products with the intent to bear higher activity costs faced by the company itself. Even if the price tag of their apparel products is premium, Patagonia found a way to remain consistent with their sustainable claims through the "Don't buy this jacket" famous Christmas campaign. The message conveyed by the company wanted to encourage its loyal clients to consider purchasing only what is really needed, highlighting the interest that they have in lowering the high level of consumerism in the fashion industry segment. For the conclusion of this short overview of Patagonia's Business performances, there is the need to mention the contribution of key partners such in the case of this paper, where the fellowship between researchers and experts from the fashion industry creates an added value to consider in the field of sustainability for future industry advancements.

The analysis of the business model canvas highlighted how Patagonia stands as a prime choice for outdoor lovers, looking for diversity in outdoor clothing options. With a business focus centered on

nurturing both social and economic benefits, Patagonia prioritizes durable and high-quality products. Considering the high competition in the outdoor apparel sector, Patagonia maintains a strategic focus on expanding its global reach by strengthening its online presence which is now considered a secondary profit channel for the company revenues. Moreover, Patagonia's commitment to eco-friendly practices contributes to its ability to draw and retain environmentally conscious customers, as we will have the possibility to confirm through the semi-structured interview with "Patagonia Montebelluna" Retail Environment & Marketing expert.

### **2.2.3. Costs and Revenue Business Model Canvas**

To further enrich the analysis made in the previous subchapter (2.2.2. Patagonia Business Model), the following Business model Canvas, credit to full professor Carlo Bagnoli from Ca' Foscari University of Venice, is adding some focal points to consider in the operational and business performances of Patagonia such as: the society surrounding the company, the internal or external processes to consider and the type products offered by Patagonia. Moreover, the major focus will be on Patagonia's costs and revenues structure, which have not been mentioned in the previous canvas analyzation.

To re-define Patagonia's business model canvas with the structure offered by the knowledge of Professor Bagnoli, we will answer six different questions that are going to specifically address the elements composing the new canvas model. The considered questions are as follows:

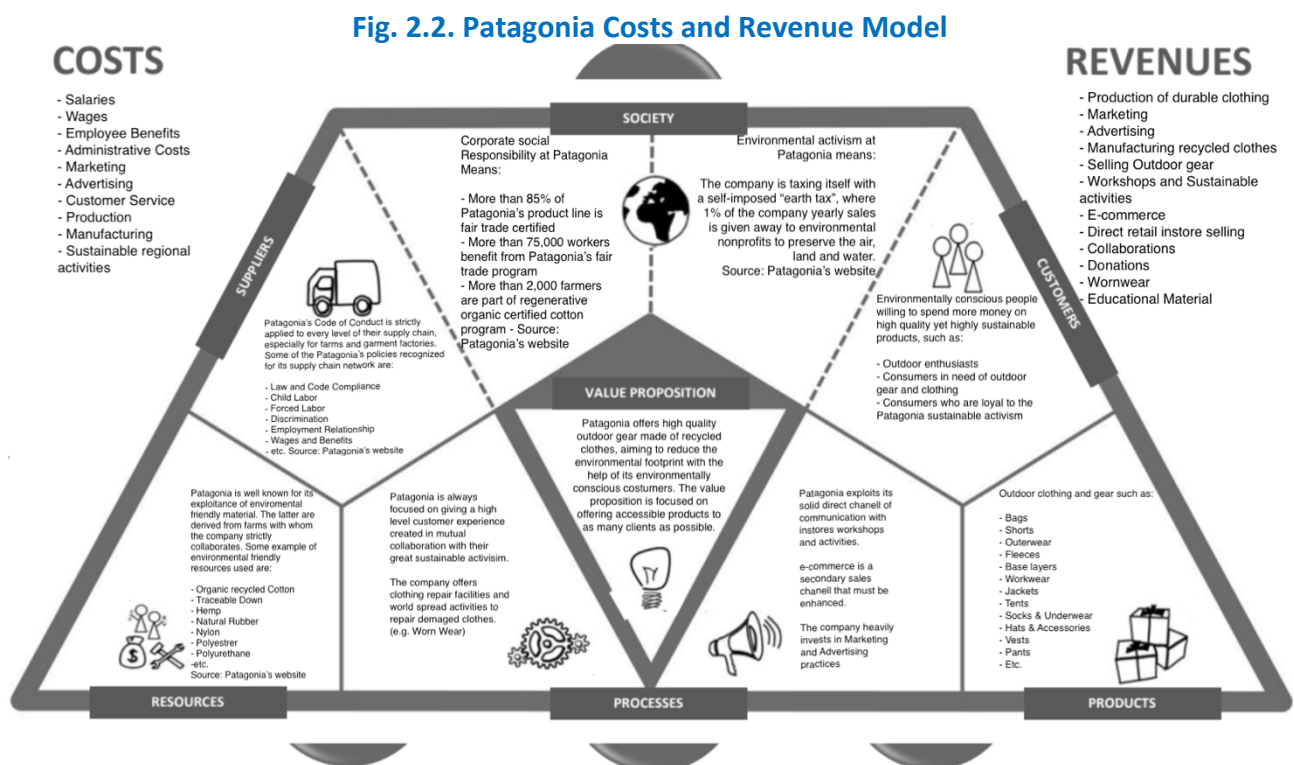
- Who are Patagonia's stakeholders?
- Who are Patagonia's customers and markets?
- Who are Patagonia's suppliers and partners?
- What should Patagonia offer to them?
- How can Patagonia be effective and efficient?
- How do Patagonia feed the activities that they develop?

Each of the listed questions will be investigated through specific dedicated subchapters following the current one.

As for the analysis of Patagonia’s structure, the company main expenses are represented by production costs, customer service expenses (which are fundamental and heavily invested for their successful customer relationship, as explained in the previous lines), general and administrative costs, as well as marketing and advertising expenses. The company is also heavily impacted by employees’ salaries and recognized work benefits.

The main revenue streams registered by Patagonia are connected to the selling of durable and sustainable clothing. Revenues are even more increased by the company’s efficient investments in marketing and advertising campaigns (e.g. the cited “don’t buy this jacket” Christmas campaign). In 2021, the company registered an annual revenue of 209.1 million dollars, counting over 1000 employees and a daily revenue of 572.849 dollars. As for the expenses side, only considering the previously cited work benefits recognized to Patagonia employees, the amount is reaching approximately 1 million dollars, as per Rose Marcario, former Patagonia’s CEO, with an estimated annual profit of 100 million dollars. (source: the business model analyst).

The following figure is the result of our deep investigation on the elements that compose the Patagonia Business Model Canvas, credit to Professor Bagnoli’s re-defined business model canvas.



Source: our elaboration - Credit: Biloslavo, R., Bagnoli, C., & Edgar, D. (2018).

#### 2.2.4. Suppliers

Patagonia is currently counting over 70 suppliers and factories from all around the globe. The main countries of origin for the environmentally friendly resources exploited by the company are: Bangladesh, China, Colombia, India, Mexico, Nicaragua, Peru, Portugal, Sri Lanka (one of its major suppliers), Taiwan, Thailand, USA and Vietnam (counting the vast majority of suppliers, as in the case of Sri Lanka).


The transparency offered by Patagonia in its supply chain structure allows us to make a series of different considerations that are worth to be highlighted:

- First of all, as mentioned in the “Patagonia Costs and Revenue Model” (Fig. 1.10. Patagonia Costs and Revenue Model), one major effort made by the company for its socially responsible footprint is with regard to its “supplier workplace code of conduct”. As Patagonia deals with several different countries, it always ensures to comply with the labor standards in which its suppliers operate. A sample list of all the policies outlining the code of conduct is available at the “Patagonia Costs and Revenue Model” (Fig. 1.10. Patagonia Costs and Revenue Model). For the complete list, we suggest visiting Patagonia’s main channels of communication available to the public.
- To further improve the transparent offering of sustainable affairs, Patagonia is accredited to the “Fair Labor Association”, on which the company leans to have a third-party evaluation of its supply chain sustainable performances. Through the FLA (Fair Labor Association), Patagonia systematically audits samples of its supply chain to verify the quality of its chosen factories. The same audit is done in the HQs of Patagonia in California, to verify the compliance with FLA’s responsible sourcing and fair labor.
- Patagonia’s SER (social and environmental responsibility program) is developed to run verifications on new suppliers, respecting their previously cited code of conduct. Factory managers are trained from Patagonia to meet the company program requirements.
- Multiple stakeholders initiatives have been shared in the official channels of the company to further increase their sustainable commitment towards their supply chain network. Some examples are: FLA, the better work Vietnam Program (in which Patagonia is actively participating) and the Fair trade certifications obtained with USA audits of Patagonia’s factories. The company is also part of the sustainable advisory council of the Outdoor Industry association (OIA).



To offer a glimpse of the extraordinary transparency that Patagonia demonstrates to all of its supply chain stakeholders, we now share a table (Tab. 2.2. Patagonia's public Suppliers list) with a list of the brand's historical suppliers, including the differentiation of each supplier per product type supplied to the company, which is published to maintain its coherence toward the great supply network that it had been able to build overtime. For the complete list, we suggest visiting Patagonia official channels available to the public.

Tab. 2.2. Patagonia's public Suppliers list

							
Supplier List							
Date of Update: May 2023							
Note 1: This list is updated at least twice per year, typically in November and May.							
Note 2: This supplier list includes all finished-goods factories that are currently being monitored by Patagonia, regardless of whether they manufacture a product that is currently available to customers. The Footprint Chronicles* website is linked to products currently available in-store and online, and may include inactive factories. As a result, this supplier list is more comprehensive and up-to-date than the Footprint Chronicles website.							
Note 3: Suppliers are listed using the following naming convention: <i>Parent Company - Name of Facility</i> . (Parent Company is the name of the organization that owns the Facility or owns the business relationship with Patagonia. When no Parent Company is listed, the Parent Company Name is the same as the Facility Name.)							
Country	Parent Name - Facility Name	Address	City	Province/State	Number of Workers	Supplier Since	Supplier and Product Type
Bangladesh	Youngone - KSL	Plot No. 9-14, 18-20, Sector No. 7, Chittagong Export Processing Zone, South Halishahar	Chittagong	Chittagong	7,929	2014	Finished Goods Outerwear
China	Asian Sourcing - Huai An Yuan Tong Headwear Mfg. Co., Ltd.	No.1 Yan Huang Avenue, Lian Shui New Industrial Zone	Lian Shui	Jiangsu	3,934	2014	Finished Goods Headwear
China	Asian Sourcing - Shanghai Weijie Garment Co., Ltd.	1228 Huping Road, Nanxiang, Jiading	Shanghai	Shanghai	709	2014	Finished Goods Headwear
Colombia	Superlex - SA	Carrera 35 No.10-707 Acopi Zona Industrial, Acopi Yumbo	Yumbo	Valle del Cauca	874	2005	Finished Goods Outerwear
Colombia	Superlex - Eje Cafetero	Carrera 21 No. 38-113 Bodega P. Av. Los Molinos, (Dosquebradas)	Risaralda	Pereira	155	2012	Finished Goods Outerwear
El Salvador	Superlex - Lourdes, SA de C.V.	Km 26 Carretera Panamericana, Santa Ana Intercomplex Industrial Park, Block A	San Juan Opico	La Libertad	450	2015	Finished Goods Baselayer
El Salvador	Superlex - El Salvador SA de C.V.	Km 76.5 By-Pass Norle, Zona Franca 10	Chalchuapa	Santa Ana	1,584	2015	Subcontractor Baselayer
El Salvador	Superlex - Superprint SA de C.V.	Km. 76 1/2 By-Pass, Norle, ZF Diez Building # 1	Santa Ana	Santa Ana	53	2015	Subcontractor Baselayer
India	Pratibha	Plot No. A-15 & 16, Apparel Park Phase-II, Special Economic Zone, Pithampur, Dist Dhar	Indore	Madhya Pradesh	1,782	2012	Finished Goods Sportswear
India	Pratibha Syntex	Plot No. 4, Industrial Growth Centre, Kheda Pithampur, Dist Dhar	Indore	Madhya Pradesh	3,571	2012	Subcontractor Sportswear
India	Trident Limited (Home Textile Division)	Mansa Road, Dhaura	Barnala	Punjab	2,669	2019	Finished Goods Surf
Mexico	Vertical Knits - Baca	Calle 20 #131-C x 27 y 29	Baca	Yucatán	625	2011	Finished Goods T-Shirts
Mexico	Vertical Knits - Tizimin	Calle 45 A x 74 y 76 #496-A	Tizimin	Yucatán	278	2015	Finished Goods T-Shirts
Mexico	Vertical Knits - Tizimin - Screen Printing	Tablaje 1658 BIS	Tizimin	Yucatán	72	2019	Subcontractor T-Shirts
Nicaragua	Formosa - GreatKing	Km 12 1/2 Carretera Norte, Modulo No. 52, Zona Franca, Industrial Las Mercedes	Managua	Managua	2,160	2006	Finished Goods Sportswear
Peru	Textil Del Valle SA	Km 200 Panamericana Sur	Chincha	Ica	2,522	2021	Finished Goods Sportswear
Portugal	HUGAL - Indústria de Calçado, Lda	Apartado 84, Rua Alto do Lombo, 10 Venda da Rega	Benedita	Alcobaça, Leiria	89	2021	Finished Goods Boots
Sri Lanka	Hirdaramani - Ceylon Knit Trend - Eheliyagoda	Divurumpillya	Eheliyagoda	Sabaragamuwa	1,036	2018	Finished Goods Sportswear
Sri Lanka	Hirdaramani - Embellishment (Private) Limited	61, Lake Road Maharagama	Maharagama	Western	785	2011	Subcontractor Sportswear
Sri Lanka	Hirdaramani - Kuruwila	Colombo Road	Kuruwila	Sabaragamuwa	2,532	2016	Finished Goods Sportswear
Sri Lanka	Hirdaramani - Kahathuduwa	279, Horana Rd.	Kahathuduwa	Western	3,003	2011	Finished Goods Sportswear
Sri Lanka	Hirdaramani - CKT Apparel - Agalawatta (Knits)	Yatiyana	Agalawatta	Central	983	2012	Finished Goods Sportswear
Sri Lanka	Hirdaramani - Mercury Apparel - Seethawaka - Avissawella (Washing)	Lot No. F-2 Seethawaka Industrial Park, Export Processing Zone	Avissawella	Western	802	2011	Subcontractor Sportswear
Sri Lanka	MAS - JK Garment Private Limited	614, Liyanagemulla	Seeduwa	Western	241	2014	Subcontractor Sportswear

Source: Patagonia Finished Goods Supplier List (May 2023)

### 2.2.5. Resources

Patagonia is well known for its exploitation of environmentally friendly materials. The latter are derived from farms with whom the company strictly collaborates, as the ones described and listed in the previous subchapter (2.2.4 Suppliers). For the selection of resources exploited, Patagonia maps its supply chain from the farming level, relying on “organic content standards” and fair trade certifications that ensure sustainable collaboration between farms and the company itself.

As transparent as we have been able to know the brand, the official channels of Patagonia provides the list of all sustainable resources used in the manufacturing processes. The following table (Tab. 2.3. Patagonia’s Resources list) provides the list of resources used and shared transparently by the company.

**Tab. 2.3. Patagonia’s Resources list**

Patagonia Sustainable manufacturing resources List	
<ul style="list-style-type: none"> <li>▪ Advanced denim</li> <li>▪ Biobased polyester</li> <li>▪ Cotton for change</li> <li>▪ ePE</li> <li>▪ Flourinated DWR</li> <li>▪ Hemp</li> <li>▪ Made without PFCs / PFAS</li> <li>▪ Man-made cellulosic fibers</li> <li>▪ Natural Rubber</li> <li>▪ Natural rubber</li> <li>▪ Nylon</li> <li>▪ Organic recycled Cotton</li> <li>▪ Polyester</li> </ul>	<ul style="list-style-type: none"> <li>▪ Polyurethane</li> <li>▪ PTFE</li> <li>▪ Receycled Down</li> <li>▪ Recycled Cashmere</li> <li>▪ Recycled fishing nets</li> <li>▪ Recycled Polyester</li> <li>▪ Recycled TPU</li> <li>▪ Recycled Wool</li> <li>▪ Recyled Spandex</li> <li>▪ Spandex</li> <li>▪ UPF treatment</li> <li>▪ Waxed Cotton</li> <li>▪ Wool</li> </ul>

*Source: Patagonia’s official website*

### 2.2.6. Internal processes

Patagonia is always focused on giving a high-level customer experience created in mutual collaboration with their great sustainable activism. To better understand the relevance of Patagonia's internal processes, we should first investigate which are the strategies put in place to create value for its sophisticated consumers, including the company's ability in maintaining a long-term relation with its clients.

The company has a wide range of clothing repair services, distributed with in-store activities or in even more creative ways to increase and maintain its great engagement with its sustainable loyal clients.

The most popular yet effective program that Patagonia offers to its client is known as the "Worn Wear" program. The latter is composed by a series of activities promoted by the brand where the aim is to induce its clients to keep and maintain already used clothes and gear for a longer product lifecycle. To do that, Patagonia offers a set of services to repair damaged clothes that clients bring to stores or to "Worn Wear" events. Moreover, to increase the recycling opportunities of the program, Patagonia created a secondhand market in its online store where everyone can contribute to the cause.

What is interesting to notice, from an entrepreneurial and business performative level, is how the brand urges its clients to buy less Patagonia products and, more generally, less clothing items, for the sake of lowsumerism and slow fashion, aiming to reduce the fashion industry environmental footprint. Such a communicational activity seems completely counterproductive for the revenue streams of the brand, but there is much more to what is contributing for Patagonia's yearly turnover. In fact, every client actively participating to the program and returning its already bought products will receive a credit to use in all Patagonia online and physical stores. This is exactly the space where Patagonia stands out of the crowd, maintaining a sustainable coherence but also communicationally increasing sales. We can find Patagonia "Worn Wear" events all around the globe, from Europe to Japan and even in Patagonia's Montebelluna store, which is kindly contributing to the findings of this academic contribution and will share how such program have impacted the Veneto region and its sustainable demand.

Worn Wear can be seen as an alternative manufacturing method, specifically addressing the first research question of this paper (RQ1→ Considering modern urgencies, how the adoption of

sustainable business models in the fashion industry contribute to brand differentiation and customer loyalty?). This is an important turning point for our investigation, reason for which we will further investigate the efficiency of the program in the semi-structured interview held with the “Retail Environment & Marketing” responsible at Patagonia Montebelluna store.

The following advertisement (Fig. 2.3. Patagonia’s Worn Wear “Better than New” Black Friday advertisement) is given to share the idea behind the communicational strategy of Patagonia’s “Worn Wear” program. Different from the case of the famous “Don’t buy this jacket” Christmas advertisement already cited, in this case the brand intimates its customers to “take a break from the consumer madness” of last black Friday event held this last year. Instead, Patagonia exploits this kind of communicational practice to let consumers understand that there are more responsible and sustainable alternatives to shop during black Friday discounts, such as Patagonia’s Worn Wear swap deals.

**Fig. 2.3. Patagonia’s Worn Wear “Better than New” Black Friday advertisement**



*Source: Patagoniaworks.com*

### **2.2.7. External processes**

For the investigation of this specific subchapter, we start by answering a fundamental question: Through which channels do Patagonia's customers (as sustainable as they are) want to be reached?

We already had the possibility to understand how heavily Patagonia is investing in its direct channels of communication with the end-client, such in the case of its worldwide located retail stores and all the sustainable activities and events offered in such places (e.g Worn Wear Program events). Apart from retail stores, as for any global brand who is operating worldwide, Patagonia have built a great whole-sale network of selling partners as well as the website and online stores, which are offering different Patagonia's marketplaces that are systematically following their unconditional sustainable trait.

We acknowledge how Patagonia's website should not be seen as a sales channel solely, as it is always up to date in offering accessible information and employees experiences that are transparently shared to maintain the company's sustainable ethic.

Moreover, as we have investigated through the entire second chapter of this academic contribution, the official online channels of Patagonia are constantly caring on giving the right information for every single item purchased by its customers online, specifying the materials used, the fabrics and manufacturers being part of the supply chain, as well as the code of conduct adopted to respect fair labor and fair trade.

All of the above explained is surely a competitive advantage for a company whose target is a sophisticated sustainable consumer, always caring on different environmental and societal issues. Such a transparent communicational effort is paying off in terms of long-lasting customer relationships, building an irreplaceable loyalty experience among clients, which is the result of a coherent yet consistent marketing and advertisement investment from Patagonia.

### **2.2.8. Products and services**

Going further with the deep investigation on the structure of the sustainable business model from Patagonia, one fundamental aspect to consider is the kind of items that the company have been able to sell and recycle since the foundation year. We are interested in investigating the set of products and services that Patagonia is offering to its customers, as well as the traits and characteristics of the latter.

After its 50<sup>th</sup> anniversary, in 2022 Patagonia decided to update its fundamental core values that were going to reflect the changes and goals that the brand wants to achieve in the next fifty years. From the set of values building the core philosophy of the company, the quality assurance on products and services is critically highlighted in Patagonia's official channels of communication available to the public, as the company always aim to "build the best product, provide the best service and constantly improve everything we do. The best product is useful, versatile, long-lasting, repairable and recyclable. Our ideal is to make products that give back to the Earth as much as they take." (source: Patgonia.com – Our core values)

Patagonia is offering to its clients a wide range of outdoor clothes that are transparently manufactured, built ethically, created with high level materials that can last longer than an average outdoor item and maintain its sustainable effort toward lowsumerism always active.

From the wide set of products that Patagonia is selling, both in retail stores and online, we can find: Shorts and shirts made with recycled high quality growing organic cotton, jackets built with long lasting materials to avoid over consumerism, wind jackets for outdoor activities, fleeces, sweaters made with synthetic down, pile jackets, tents and so on.

What is unique in the shopping experience of a Patagonia enthusiast is the always updated list of garments presented in new seasonal lunches, always sold caring on sustainable demand, privileging the offering of recycled clothes or giving assistance to those clients that needs to repair their damaged gear.

### 2.2.9. Customers

All of the environmental activism from Patagonia explained in the previous lines has a specific target. The company always states to be in a mission to safeguard planet earth and to do that, Patagonia always claim the need of mutual collaboration from its consumers, engaged by spreading environmental and sustainable information to let them be aware on how to reduce the environmental footprint and, more generally, their level of consumerism. People who are loyal to the Patagonia brand are environmentally conscious people, willing to spend more money on high quality yet highly sustainable products, such as:

- Outdoor enthusiasts: customers who typically enjoys and actively participates in outdoor activities (as the activities systematically offered worldwide by Patagonia) such as: hiking, camping, backpacking, skiing, rock climbing, fishing, or any other activity that take place in natural environment. Those kinds of clients typically are keen to spend time outdoors, exploring nature and engaging in physical activities with other outdoor enthusiasts.
- Consumers in need of outdoor gear and clothing: typically, clients who are outdoor enthusiasts want to experience the natural environment at its finest. For such reason, they have the need to buy efficient and technical gear to perform better and live the physical activities in course. Patagonia is well known to offer a wide set of technical and clothing outdoor gear for such scope.
- Consumers who are loyal to the Patagonia sustainable activism: typically, customers who strongly support the company's commitment to environmental and social responsibility. They are loyal to the brand not only for its high- quality outdoor clothing gear but also for its active position on issues such as environmental safeguard, fair labor practices and sustainability. These customers prioritize purchasing from Patagonia because it aligns with their values and are willing to support the brand's initiatives aimed at promoting positive change in the world.

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### **2.2.10. Society**

Patagonia manage its relations with several different stakeholders among the society that surrounds the company. The social system belonging to Patagonia includes ethical, economical and legal aspects that needs to be always considered in the brand's operational activities.

Throughout the entire review of this case study, we have learned how the sustainable mission of Patagonia is poured in every single informational and communicational activity. The same is seen when it comes to the investigation of Patagonia's social responsibility, as well as the enormous activism shown in every action taken by the company.

To demonstrate the environmental dedication that the brand reserve to its society, Patagonia decides to tax itself with a self-imposed "earth tax", where 1% of the company yearly sales is given away to environmental nonprofits, who are called to manage such monetary amount to preserve the air, land and water. Furthermore, we have already treated the beliefs of Patagonia's founder, Yvon Chouinard, sustaining how the only company stakeholder is our earth and how the mission of Patagonia brand is to save the planet with its unconventional sustainable methodologies.

Another aspect that has been clearly treated is about all the employees' benefits recognized by the company, with transparent investments made yearly in order to maintain an ethical and fair environmental supply chain and workplace. To add to the latter, in the subchapter dedicated to the investigation of Patagonia's supply chain structure (2.2.4 Suppliers) we have delved into the "code of conduct" that the company is imposing to everyone that has a role in Patagonia's operational activities, from manufacturers and suppliers to farms and garment factories. To further enhance such recognitions, Patagonia shares a series of practices to maintain its corporate social responsibility by creating more than 85% of its products through fair trade certifications, including more than 75,000 workers to the company's fair trade benefit program as well as including 2,000 farmers to their sustainable organic cotton certification program.

### **2.2.11. Value proposition**

As detailed and sustainable as we have known Patagonia's Business Model, we now need to focus on how the company is able to create value to its sophisticated customers. The value proposition approach of the brand is more qualitative than quantitative as Patagonia always creates a remarkable experience to its audience rather than focusing solely on its turnover interests, reason for which the majority of those clients who use Patagonia's products regularly are loyal customers.

A good value proposition is centered around the services and products offered and Patagonia is clearly exploiting a great position in its market of interest. The brand offers high quality outdoor gear made of recycled clothes, aiming to reduce the environmental footprint with the help of its environmentally conscious costumers, as we have been able to understand in the previous subchapter dedicated to Patagonia's Customers investigation (2.2.9 Customer). The value proposition is focused on offering accessible products to as many clients as possible, always marking the importance to acquire a low quantity of clothes items for the benefit of the reduced environmental impact, privileging swap offers or repair services. For this reason, every Patagonia customer feel that his or her decision to buy such sustainable clothes and equipment is also a contribution to improv modern environmental issues. Contributing to such an important societal cause let consumers be part of a community of responsible individuals, who are caring for the entire society, as Patagonia itself is claiming to care and suggest everyone to do.

### **2.2.12. Company strategy**

Patagonia's current strategy can be shortened in a specific word: durability. The company totally refuse to be part of the unsustainable clothing brands who are contributing to the unsustainable emissions of the fashion industry, known as the second most polluting sector of our planet earth. To avoid the label of "fast fashion" outdoor brand, Patagonia always seeks for durability in the manufacturing process, aligning its company activities to the environmental objectives that we have already treated. The "Green" strategy of Patagonia is very intuitive and efficient: reduce environmental impact and waste as much as possible by using recycled and long-lasting materials. When this last strategy happens to be insufficient, the company strives to offer other solutions of repairing and reuse services.

### **2.2.13. Company vision**

Today, Patagonia brand is covering a relevant position in the outdoor market and its business activities are shared to create a role model for the entire fashion industry to follow. One of the most critical findings investigated in the first chapter (Chapter 1: The Fashion industry and the adoption of Sustainable Business Models: A structured literature review) which is limiting the implementation of sustainability in current leading fashion industry business models is the lack of knowledge and education spread among the entire fashion sector. Patagonia is constantly committed in overturning this trend by transparently sharing their sustainable business practice, as well as spreading their sustainable knowledge to the public.

The brand's vision is clearly seen in every action taken, product created, or partnership formed, as Patagonia's main aim is to maintain its leading position in creating a consistent environmental and societal change.

### **2.2.14. Company future strategy**

In its official Website, Patagonia shares a set of goals that the company is striving to achieve or has established to reach in the next decades. The brand statements on modern climate crisis acknowledge how the company is still not satisfied on the impact that its sustainable production has on the planet.

As of now, 87% of Patagonia's production by weight is manufactured with all the innovative and sustainable materials that we have been able to meet in the dedicated subchapter (2.2.5 Resources). Such a percentage of sustainable production is almost unparalleled by any other competitor in the outdoor and fashion industry, but the company main climate goal is to reduce carbon emission as much as possible, claiming to plan a 100% sustainable manufacturing process by 2025. Of course, such a sustainably committed company is also planning long term climate goals to achieve, as the Net-Zero GHG emissions that Patagonia wants to reach across its value chain or the reduced emissions of employee travels and raw material manufactured by fiscal year 2040.

### **2.3. Methodology**

To deepen our investigations into the complexity of the subject matter of this academic contribution, we intend to develop a semi-structured interview that aim to collect, analyze and interpret insights from the expertise of the “Retail Environment & Marketing” professional from Patagonia’s Montebelluna store. The interview is held remotely in a one-on-one conversation that will range several unanswered issues coming from the fashion industry structured literature review of chapter one (Chapter 1: The Fashion industry and the adoption of Sustainable Business Models: A structured literature review).

The following table (Tab. 2.4. Interview chosen protocol and semi-structured interview questions) shows eleven different semi-structured questions chosen to help the interview outline, which is going to precede the analyzation of the interview outcomes. In the same table, we provide a potential answer to the developed questions as well as the references which helped the structure of the questions trace.

The interview took place with Mrs. Gigliola Battocchio, which is kindly contributing to the findings of this academic contribution. The interview lasted one hour and the entire conversation has been recorded, after privacy consents approval given by the interviewee. After the meeting took place, the interview findings were transcribed for further codification and confirmation.

**Tab. 2.4. Interview chosen protocol and semi-structured interview questions**

Questions	Expected Answer	Reference(s)
<p>1. What is Patagonia's corporate philosophy? How does sustainability impact the company's operations and business model?</p>	<ul style="list-style-type: none"> <li>• The company is in a mission to safeguard planet earth. The aim is to offer long lasting outdoor gear.</li> <li>• Sustainability impacts on every activity and operation made at Patagonia.</li> </ul>	<p>(Shehata, 2024)</p>
<p>2. According to your experience with sustainability, how has the collaboration with key industry stakeholders (customers, companies, suppliers, etc.) increased the possibility of implementing a sustainable business model?</p>	<ul style="list-style-type: none"> <li>• Mutual collaboration with key stakeholders, especially customers, is fundamental to build a trusted relation fueled by sustainability and responsible consumerism.</li> </ul>	<p>(Campos et al., 2020)</p>
<p>3. What benefits the hypothetical collaboration brought?</p>	<ul style="list-style-type: none"> <li>• More spread knowledge on sustainable actions and environmental issues as well as a lower impact in the fashion industry.</li> </ul>	

<p>4. What is your understanding regarding how consumers are influencing the adoption of sustainable business models in your industry, considering the profile of the average modern consumer who is more and more sophisticated in its sustainability expectations?</p>		<p>(Puspita &amp; Chae, 2021)</p>
<p>5. How, in your market of interest, is sustainability influencing your business value proposition?</p>	<ul style="list-style-type: none"> <li>• As the fashion industry is widely known to be the second most polluting industry in the world, the implementation of sustainability is radically changing the set of products and services offered to satisfy consumers' demand.</li> </ul>	<p>(Puspita &amp; Chae, 2021)</p>
<p>6. In your experience as Sustainable and Environmental expert, how are competitors in</p>		

your industry responding to the increased demand of a sustainable offering?		
7. Does your company choose to share its commitment toward sustainability in its communication and operational activities? If yes, why? (e.g. Patagonia Montebelluna's sustainable activities on the ground - Worn Wear etc.).	<ul style="list-style-type: none"> <li>• Yes, to maintain the brand's recognized sustainable coherence and to spread awareness among stakeholders on modern climate crisis.</li> </ul>	(Shehata, 2024)
8. How is Patagonia's "Worn Wear" program seen by Patagonia Montebelluna store clients?	<ul style="list-style-type: none"> <li>• Is an alternative manufacturing service that is widely chosen by Patagonia's brand advocates and loyal users.</li> </ul>	(Shehata, 2024)
9. What kind of sustainable applications drive your activities?	<ul style="list-style-type: none"> <li>• Patagonia intend to reach 100% of sustainable production by 2025 and lower emission as much as possible in the next decades.</li> </ul>	
10. In your experience in the industry of Sustainable fashion,	<ul style="list-style-type: none"> <li>• Sustainable demand</li> <li>• Lowering emissions</li> <li>• Sustainable production</li> </ul>	(Todeschini et al., 2017)

<p>what kind of barriers in implementing sustainability have you faced as an organization or you are still facing?</p>	<ul style="list-style-type: none"> <li>• Environmental activism</li> <li>• Fair labor</li> <li>• Fair trade</li> <li>• Consumers reluctance</li> <li>• Radically change the standards and vision of the fashion industry</li> </ul>	
<p>11. What is the philosophy behind Patagonia's implementation of a sustainable business model?</p>	<ul style="list-style-type: none"> <li>• Be a sustainable yet effective role model to follow from the entire fashion industry</li> </ul>	<p>(Shehata, 2024)</p>

*Source: our elaboration (2024)*



## 2.4. Findings

The table provided underneath reports all the answers and findings arisen from the interview with Mrs. Gigliola Battocchio, Retail Environment & Marketing at Patagonia, who is kindly contributing to the analyzation of common themes and trends coming from the systematic literature review of chapter one (Chapter 1: The Fashion industry and the adoption of Sustainable Business Models: A structured literature review), shifted to the case study of this second chapter, treating Patagonia company and the impact of its sustainable business model in the fashion industry.

Starting with the first conveyed question, we asked Mrs. Battocchio about the corporate philosophy and the impact of Patagonia's sustainable business model. The answer clearly identifies the company as a "for-profit", not hiding the intention of such a global brand to seek for revenues. But the way in which Patagonia produce revenues is different from any other brands, as we are identifying a B corp that is strictly committed to preserve financial health by always considering the impact of its business on the society and the environment. As already investigated in the previous subchapter about the company vision (2.2.13 Company vision), and now confirmed through this contribution, Patagonia focuses on being an inspiration for the entire fashion sector, demonstrating that environmental purpose and profit can bland together and reinforce one another. On the other hand, another confirmation arises from the 1% donation of Patagonia's yearly sales to the environmental nonprofit, which is going to manage such amount of money to preserve our planet earth. As explained by Mrs. Battocchio, this donation commitment is part of Patagonia's charter and will always be. Such a commitment is also explained and introduced in the subchapter treating the society surrounding Patagonia (2.2.10 Society).

Question number two deepened the experience of Mrs. Battocchio in the fashion industry sector, considering her Retail Environment & Marketing figure at Patagonia, in terms of various collaboration with different stakeholders and how such collaboration brought to an increased possibility to implement Patagonia's sustainable business Model. Emerging results highlight the great commitment of Patagonia as a brand, as well as Patagonia Montebelluna as a retail store, to always seek collaboration that creates an effort to build a benefit for the entire community surrounding the brand. This is a value constantly shared in the brand's daily activities, reason for which they choose to build collaborations with: researchers, academics, sustainable and environmental figures etc. just to create a connection point for the community to exploit. Its clear

that Patagonia's kind of collaborations always aim to offer an added value for the target that really matters the most for the health of our planet, that is its community of environmental conscious customers.

In question number three Mrs. Battocchio once again is confirming what already shared in the second answer, adding how the motto of the Montebelluna store is "to be a gift for the community", as Patagonia is part of the "1% for the planet".

Question number four intended to understand how the sustainable demand, coming from sophisticated modern consumers, is influencing Patagonia's sustainable adoption and offerings. What has arisen is how the brand is really flexible in embracing and accommodating customers' needs. The Montebelluna store itself is an example of how Patagonia always respond by offering what is really needed by its community, apart from its set of extraordinary outdoor gear. In this specific contribution case, we acknowledge how Patagonia's Montebelluna offers also ranges around a series of open 'Co-Lab' spaces where their customers and stakeholders are able to attend free courses given to offer an inclusive space available to everyone interested.

The following question number five, on the other hand, tried to identify the opposite side of the medal, investigating how is the sustainable matter itself to influence Patagonia's value proposition. The contribution of Mrs. Battocchio highlighted how the era in which we are leaving is creating several difficulties for the industry of fashion to overcome, especially in terms of cost efficiency. Sustainability seems to be the exact lever to exploit to face current geopolitical issues. As investigated in the subchapter dedicated to Patagonia's suppliers (2.2.4 Suppliers), we have understood how the brand is always recognizing average wages and fair working conditions, regardless of what is happening in the current geopolitical situation.

With regard to the sixth question, the interview intended to investigate the behavior of Patagonia's competitors in response to the industry of fashion increased sustainable demand. Mrs. Battocchio shared a clear yet powerful explanation, affirming how there is a big greenwashing issue among other fashion brands. Such brands are selling clothing items at a derisory price which is often hiding irresponsible practices, disguised by communicational strategies exploiting consumers' perception of what they are buying at a convenient yet footprint impactful price.

The following seventh question treated exactly what has arisen from the previous sixth question but from the viewpoint of Patagonia brand. We intended to investigate the brand's communicational and operational activities, understanding the kind of strategies adopted to convey Patagonia's environmental activism. Mrs. Battocchio kindly explained how the brand most important philosophy is to be as transparent as possible. Patagonia is exploiting social medias and other channels of communication in an unconventional way compared to other fashion brands. They do have a program (Patagonia Pro) where everyone engaged with environmental activism can contribute to Patagonia communicational strategy, as they do not exploit any endorsement with any social media influencer.

Coming to the eighth question, through the interview held with Mrs. Battocchio we deeply investigated what is potentially the answer to the first research question of this academic contribution (**RQ1**→ Considering modern urgencies, how the adoption of sustainable business models in the fashion industry contribute to brand differentiation and customer loyalty?), treating Patagonia's "Worn Wear" program efficiency and traits in the Montebelluna store. After a brief historical introduction on how the program was created in the United States, Mrs. Battocchio offered several considerations on how the intention of the "Worn Wear" services is to give back what we take in terms of resources from our planet earth. There is a human return rather than a profit and economical interest in such services provided. On the other hand, there has been an analyzation on the average client of the store which is usually someone interested in Patagonia garments because of the brand establishment rather than for its durability and its high-quality. We have acknowledged how a small 20% to 30% of all clients actually choose the Montebelluna store because of the "Worn Wear" program, due to their lack of knowledge and education on the environmental footprint of their purchasing decisions. Apart from this latter confirmation of what we have already found in the literature review of chapter one about the lack of education among average consumers, (Chapter 1: The Fashion industry and the adoption of Sustainable Business Models: A structured literature review) Patagonia Montebelluna store is affirming to have gained a consistent influence and engagement over the years in the Veneto Region because of the implementation of the "Worn Wear program", as its services go beyond the warranty of Patagonia's garments. The program is and will always be provided for free because the main aim of the brand is to keep raising the awareness among all kind of consumers.

Coming to the ninth question of the interview, we had the opportunity to discover all of the great events and outdoor activities that “Patagonia Montebelluna” store offers to its environmental conscious clients. Many different excursions have been done over the years and all of them have been offered for free with the aim to share the kind of sustainable applications that drive the Patagonia brand all over the world, always with the intent of increasing awareness as much as possible in the territory surrounding the store and above.

For the tenth question of our interview, we tried to discover what kind of barriers to the implementation of its business model have Patagonia found along its journey of becoming a sustainable role model in the fashion industry. As affirmed by Mrs. Battocchio, the only limitation faced by the store on the implementation of a sustainable business arises from the price tag of its high-quality garments. Many customers expect to pay less for such a fair and durable product due to the competition coming from fast fashion brands. But, as confirmed by the interviewee, the price of Patagonia clothes also covers all the practices that the brand relies on in terms of fair labor and fair trade, to always grant fair working conditions and high durable products to its clients.

Lastly, we have investigated the philosophy for which Patagonia decides to act sustainable in its daily business operations. Mrs. Battocchio affirms that everything Patagonia does has an impact on our planet, this is why the brand decides to be environmentally responsible through strong and conscious sustainable programs (e.g. Worn Wear) for the usage of their resources and the production of their garments. As explained in the previous lines, Patagonia is always making sure to be socially responsible and produce everything under safe, fair, legal and humane working conditions. To conclude, the interviewee contributed by explaining a series of actions regarding Patagonia’s reduced emissions, the organic cotton exploited and the employee care shown year by year. The following table 2.5. (Tab. 2.5. Analysis of common themes and trends) provide the entire transcription of the interview held with the kind contribution of Mrs. Gigliola Battocchio, aiming at analyzing common themes and trends from the fashion industry from the Patagonia point of view.

**Tab. 2.5. Analysis of common themes and trends**

Questions	Answers
<p>1 What is Patagonia's corporate philosophy? How does sustainability impact the company's operations and business model?</p>	<p>G.B: "Patagonia is a for-profit company, a certified B Corp and Benefit Corporation in California, making the highest quality products possible, honoring its commitment to preserving its financial health, while always considering the impact that the business has on its employees, customers and communities.</p> <p>Our influence comes precisely from operating as a for-profit company. We will continue to be an inspiration for the entire business community, demonstrating that purpose and profit are indivisibly linked.</p> <p>In 2023 we celebrated 50 years, and with the occasion, our founder Yvon Chouinard said Patagonia's new owners are the Holdfast Collective and the Patagonia Purpose Trust. The Holdfast Collective now owns 98 percent of the company and all non-voting shares, while the Patagonia Purpose Trust owns 2 percent of the company and all voting shares. The non-voting shares have economic value, but not decision-making value. In contrast, voting shares have both economic value and decision-making power.</p> <p>Patagonia donates 1% of sales each year to environmental nonprofits. This commitment is part of our corporate charter, which as of now cannot be changed without the approval of the Patagonia Purpose Trust."</p>

<p>2 According to your experience with sustainability, how has the collaboration with key industry stakeholders (customers, companies, suppliers, etc.) increased the possibility of implementing a sustainable business model?</p>	<p>G.B: “For us, the word ‘sustainability’ is often overused. With respect to my role of “Retail Environment &amp; Marketing at Patagonia,” I prefer to answer the question by talking about “Environmentalism,” being a term that captures both environmental impact and environmental activism. We continuously collaborate within events and projects in the field of environmentalism with researchers, academics, prominent figures in the world of sustainable agriculture such as environmental consultants, biologists, agronomists, environmental associations and nonprofits, as well as suppliers for catering our own events. The collaborations we seek are partnerships that create community benefit, such as a social inclusion project conducted in collaboration with our store in “Montebelluna.” All projects have the intention of highlighting a concrete benefit for the community around us and not for us. We are just the connection point.”</p>
<p>3 What benefits the hypothetical collaboration brought?</p>	<p>G.B: “As mentioned in the previous answer, in any connection and collaboration we seek benefits for the community around our store, this is our main focus because we know we can act in the concrete. “We want to be a gift for the community”. We are not just a store but also a point of connection. Patagonia is part of “1% for the planet,” meaning that 1% of our profits go to environmental organizations. “</p>

<p>4 What is your understanding regarding how consumers are influencing the adoption of sustainable business models in your industry, considering the profile of the average modern consumer who is more and more sophisticated in its sustainability expectations?</p>	<p>G.B: “We are open-door. We are open to proposals aimed at purposes or needs that consumers and the community demand. One example is the 'Co-Lab' spaces that our store offers. They are four rooms like the one where I am now for this interview, which were renovated in October 2023. They are a response to our pillars in conjunction with community demand. In these rooms we hold free repair classes with sewing machines and free access to the public for classes. There are wellness rooms for physical and mental wellness, yoga workshops with teachers offering free classes, fly fishing rooms because, as you know, the fishing community is very large in our area, so they come to us to take advantage of a room where they build bait. The various nonprofits that collaborate with us often don't have venues where they can meet and on a weekly basis. So they rely on the “co-working” room that we offer to the community, a space that is always meant to be free and inclusive, where we try to offer cooperation between environmental and social associations, groups and committees.”</p>
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<p>5 How, in your market of interest, is sustainability influencing your business value proposition?</p>	<p>G.B: “Unfortunately, we are facing a time where the cost of raw materials is very high in the production phase of products, due to the ongoing wars. As Patagonia is part of the fair-trade chain, we make sure that everything is certified in terms of average wages and fair working conditions recognized to our employees and collaborators. But the whole geopolitical environment has led to higher prices, and the outdoor world is feeling the consequences. However, Patagonia is positioned for growth regardless of the difficult situation around us, thanks to the unconventional business model that runs counter to those usually adopted in the fashion and outdoor industry. Patagonia has all the tools to overcome what is happening geopolitically. We don't know what will happen next, but we can make assumptions.”</p>
<p>6 In your experience as Sustainable and Environmental expert, how are competitors in your industry responding to the increased demand of a sustainable offering?</p>	<p>G.B: “The Greenwashing Problem: The world's top clothing brands hide polluting and irresponsible practices behind the words ‘sustainable,’ ‘green,’ and ‘conscious.’ Low prices, over-consumption and convenience culture leading to pollution, labor abuse and waste.”</p>
<p>7 Does your company choose to share its commitment toward sustainability in its communication and operational activities? If yes, why? (e.g. Patagonia</p>	<p>G.B: “Yes, absolutely. We use social medias and our communication tools in contrast to advertising standards in the retail world. We always tend to mark how the product we offer was made, focusing on the result of continuous</p>



<p>Montebelluna's sustainable activities on the ground - Worn Wear etc.).</p>	<p>repairs to extend the life cycle of the garment. We tend to emphasize more these aspects and services that we offer rather than the new collection that is about to be launched. Social medias and our website are a showcase of our communication philosophy, not our products. We do not use conventional means. For example, those who are part of our “Patagonia Pro” program for us are professionals who make a change in their choice to buy our products. Patagonia does not exploit influencers, we do not have any collaboration with any influencers from what I know. Rather, we value figures who are not Ambassadors in social medias, but outdoor figures such as, for example, mountain guides who are always trying to make a change in the society we live in.”</p>
<p>8 How is Patagonia’s “Worn Wear” program seen by Patagonia Montebelluna store clients?</p>	<p>G.B: “It’s a campaign that started in America in 2013, transported to Europe in 2016. It all started with free repairs with seamstresses in vans to repair garments of any brand at the various stops in America. We emulated this in Europe a few years later. The intention of the program has always been to get a human return rather than an economic one, extending the life of the garment we repair. Patagonia wants to return to the planet everything that is taken from it. We are a for-profit company and we steal resources from the planet that we always want to give back (recycled fabrics and product warranty). We hold “Worn Wear”</p>

	<p>events two to three times a year. We know that those who take advantage of the program service usually bring in a garment from competing brands and ask for repair, but our focus remains human return regardless. We are aware that customers are still educating themselves in the areas of environmentalism and consumer impact. As the Montebelluna area is an industrial area, the average consumer prefers to have a Patagonia garment being a mountain area, therefore they need outdoor material, or because of the Patagonia “brand establishment”, to show that they bought an expensive piece of fashionable garment. We are aware that the average Consumer is not the one who brings a garment for repair, only 20 to 30 percent of them do. The average consumer has very high purchasing power, but they are not educated about the impact of their purchases. Over the years we have gained influence and engagement in the territory through the “Worn Wear” program, as it is a service that goes beyond the lifetime warranty we already offer on Patagonia garments. Every Patagonia garment can be repaired, but when the latter has reached the final stage of its lifecycle, we know that it cannot be repaired perfectly, but we try to do repair them as much as possible.</p>
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	<p>SERVICE IS ALWAYS FREE: the final price of a product involves recycled resources and materials, as well as labor and the assembly line. Such repair services are not cheaply priced. We also propose these prices to differentiate ourselves from competitors and products with different final quality than fast fashion offers. We realize that a very small percentage of customers change their attitude because of the “worn wear” program, this is because the average consumer still looks for performance in the garment (as with mountaineers or mountain guides) rather than minimal environmental impact. The average consumer buys Patagonia because the garment is branded Patagonia. The brand tries to raise awareness among all types of consumers, both those with high purchasing power and those who buy sporadically, but the percentage of those who repair garments is low. It is more the community in the Montebelluna area that uses the program, so we know that it is the area that needs to be sensitized. Outreach is not only in the store but also outside. The community is the end consumer at the end of the day. This is also why many associations and projects rely on our store, which has managed to fund several nonprofits and many other events. “</p>
<p>9 What kind of sustainable applications drive your activities?</p>	<p>G.B: “We organized, with a limited number of clients, an outdoor environmental awareness activity, visiting for two days the ‘lower glacier</p>

	<p>of Mount Antelao’ at an extremely critical time (October 2022, Marmolada tragedy) to expand awareness among clients, thanks to the presence of a glaciologist, to have the opportunity to understand what is happening every day in our planet. The project to build the Ciano Grave expansion caissons has not yet been moved forward, and we, in order to raise community awareness of the issue and the risks in this area, supported the petition against these expansion caissons together with the Committee “Tutela Grave di Ciano” with a walk in this area with a high biodiversity index, together with experts on the subject. Although we are limited in the number of clients that can participate on outdoor events, we favor a strong awareness of all types of clients. “</p>
<p>10 In your experience in the industry of Sustainable fashion, what kind of barriers in implementing sustainability have you faced as an organization or you are still facing?</p>	<p>G.B: “I don’t notice big barriers. We have even closed the store once to protest and participate in environmental causes that are so close to our fundamental principles (Fridays for future). Maybe it's us as human beings who set barriers for ourselves, but we have never had any difficulty in demonstrating what our company is committed to in our core values. The barrier itself that our store faces lies in the fact that we are in an area where there are so many outlet stores, so the price that the consumer expects when they enter our stores is too low. However, the Patagonia outlet product is a high-quality product. As it is marked in our values, the outlet price also covers other</p>

	<p>services and especially the certification recognitions, to give 100 percent awareness of what the consumer is buying in terms of fair trade and fair labor. The materials they go to buy are of the highest quality. They are materials for which research studies and multiple tests of product performance have been conducted. We offer quality not only to the customer but also to everyone behind our production cycle. So, maybe, our only limitation is the spasmodic search for quality, which sometimes comes at a different price than the average consumer imagines.”</p>
<p>11 What is the philosophy behind Patagonia’s implementation of a sustainable business model?</p>	<p>G.B: <b>“Everything we do has an impact on the Planet.</b></p> <ul style="list-style-type: none"> <li>- <b>Environmental responsibility:</b> We have developed strong environmental responsibility programs, which promote animal welfare so that we also chart the course when making our materials and products.</li> <li>- <b>Social Responsibility:</b> What we are doing is making sure that our products are made under safe, fair, legal and humane working conditions.</li> </ul> <p><b>Practical examples:</b></p> <ul style="list-style-type: none"> <li>- <b>We are recycling to reduce emissions:</b> This season, 68% of our fabrics are made from recycled materials. By using recycled content, in one year Patagonia reduced CO<sub>2</sub>e emissions</li> </ul>

	<p>by as much as 20,000 tons, enough to power 2,300 homes for an entire year.</p> <ul style="list-style-type: none"><li>- <b>We grow our cotton organically:</b> Since 1996, all of the virgin cotton in our line has been grown organically, without the use of harmful chemicals (and we also make clothes from recycled cotton). By using recycled cotton, we save water and reduce CO<sup>2</sup> emissions by about 45 % compared to conventional cotton.</li><li>- <b>We change the way we grow food and fiber:</b> We are investing in and testing ways to improve soil health and reduce greenhouse gas emissions to the atmosphere through organic and regenerative practices.</li><li>- <b>We take care of our employees:</b> We are committed to improving the living conditions of our employees. This season, two-thirds of our line is made with Fair Trade™ stitching, affecting the lives of 49,000 workers in 10 countries.</li><li>- <b>The Montebelluna store is the only store in all of Europe that has installed solar panels as of May 2023</b>, of all 14 stores in Europe. We are the only store that is self-powering. We are not totally zero-emission yet, but we want to reach it by the 2030 target. So we try, for now, to have at least this self-sufficiency in our store.”</li></ul>
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*Source: our elaboration (2024)*

## 2.5. Discussion

The results shown in the previous subchapter (2.4. Findings) and its related table of the transcribed and codified interview (Tab. 2.5. Analysis of common themes and trends) are eventually confirming how Patagonia is a leader in the fashion industry sector because of its high level and transparent implementation of a sustainable business model. Such a leading role held by the company is the outcome of all the unconventional environmental activism that Patagonia shares in every single action and daily operation. Sustainable business models, as confirmed in the first literature review chapter (Chapter 1: The Fashion industry and the adoption of Sustainable Business Models: A structured literature review), are not to be considered as a disruptive methodology in the fashion sector, as it is implemented by a few brands already, apart from Patagonia (e.g. Cotopaxi, Save the Duck, Houdini, LaSportiva). Unfortunately, such a business model is not considered to be the most revenue efficient one, as more and more brands prefer to adopt a high polluting and fast line production model to satisfy the unsustainable market demand. Comparing fast fashion models to sustainable ones, we clearly understood through the investigated literature how it is perceived as easier to implement, especially for new incumbents of the market. Patagonia try to do everything in its power to invert this trend, from the exact moment in which the company was founded by Yvon Chouinard.

The brand already celebrated 50 years of ongoing activity and it never made a step back in recognizing its mission to safeguard our planet earth, never hiding to still be a for-profit company as much as any other competitor in the industry. As we attempted to investigate throughout the entire contribution of this academic paper, our focus was entirely dedicated in the understanding of a sustainable business model able to create a market advantage in its value proposition. Certainly enough, the Patagonia case study of this second chapter has given a positive response to our first research question (**RQ1**→ Considering modern urgencies, how the adoption of sustainable business models in the fashion industry contribute to brand differentiation and customer loyalty?). Every sustainable and environmental decision made by Patagonia contributed to create a value proposition that is almost unrepeatable by its own competitors, as Patagonia seems to be the predecessor of sustainable fashion implementations. Such perseverance and commitment is widely recognized by the entire fashion sector, as well as by Patagonia's consumers and institutions. All the certifications and quality garment that we have been able to cite are the exact outcome of a brand that is rooted

in activism, showing how making industry-leading profits while also caring on the environment not only is possible, but sometimes even more profitable.

This is the reasoning that inspired us to investigate the widely known “Worn Wear” program offered by Patagonia, as a potential alternative that serves an already highly sustainable model, as in Patagonia’s case. According to Retail Environment & Marketing figure at Patagonia, Mrs. Gigliola Battocchio, the brand acknowledges that the average client is not someone who choose to buy a Patagonia garment because of its lifelong warranty, or even better, because of the “Worn Wear” services provided. Being a major global brand, Patagonia’s major sales are still leaning on the brand establishment itself. Communicationally speaking, Patagonia never backs down in educating its consumer on the impact of their purchasing decision, as we already investigated entire campaigns held by the company where Patagonia encourages not to buy their own products, to reduce customers’ footprint. But once again, as confirmed by Mrs. Gigliola Battocchio, the lack of education among Patagonia’s consumers is not helping the brand’s services to fully provide sustainable activism, even if the intention to do so is tangible and visible in every action taken. Still now, in 2024, educational matters seem to be environmentalism number one threat.

These aspects are resulting in a relatively low percentage of “Worn Wear” users, considering the 20%-30% range described by Mrs. Battocchio. Even if the service is provided entirely for free to any client, still Patagonia enthusiasts with high purchasing power demonstrate to be more interested in the high-quality performances of the garments purchased, rather than their impact on the planet. A Patagonia regular user is more likely to buy a new outdoor item rather than repairing damaged and old gear through the “Worn Wear” program, if it is considered to be a consumer with high purchasing possibilities, according to Mrs. Battocchio. What is interesting to notice is how the brand, even knowing how the lack of education on sustainable matters is influencing customer demand, is focusing its value proposition efforts, adapting to every single territory in which it is commercially active. Mrs. Battocchio confirms again how the “Worn Wear” program is seen as a functional service mainly by the community that surrounds the Montebelluna store. This is why the store communicational efforts are being poured into a sensitization of the targeted community first, which is closer to the store area. Starting with a sensitization of niche group of environmental conscious customers has the intention to reach a wider audience, through educational campaigns and world of mouth satisfactory feedbacks.



As a sustainable leader in the fashion industry, knowing that its environmental efforts spread in the repairing and swap services are not enough to increase proper environmentalism, Patagonia expands its spectrum of customer engagement actions by providing a set of outdoor and indoor activities to enrich customer experience and knowledge. Every activity is basically offered with an educational intention, allowing customers to approach stimulating possibilities, aiming to dig deeper on the course of their environmental impact.

Customer expectations are at the basis of a common change, as learned in the first chapter of this academic contribution (Chapter 1: The Fashion industry and the adoption of Sustainable Business Models: A structured literature review). Without the willingness of average consumers to redefine their purchasing needs, the fashion industry will never take a common path toward a sustainable offer. This is why Patagonia brand identify itself as an “unconventional” market player, realizing the poor sustainable competition and enhancing its position to a role model for the entire fashion industry to follow. Patagonia environmentalism does not consider only high-quality gear commercial offerings, but it compounds with social responsibility, responsible emissions, responsible decision-making policies, innovative investments in regenerative practices, as well as the widely discussed care recognized to its employees.

This academic contribution opens a discussion that needs further investigation, understanding through the lenses of a market leader how reducing emissions in the production cycle is not enough to be considered ‘environmentally responsible’. The transparent environmental dedication shared by the company confirms how the market share and market position held by Patagonia is hardly replaceable by any other competitor, as environmentalism is not only a market matter to change but rather a social philosophy to share and nurture together with fashion industry customers, aiming at a mutually reinforcing system that preserves the condition of present and future generations to come.

## Conclusions

To conclude the considerations of the uncovered Patagonia case study, we can confidently confirm how the treated sustainable fashion player is perfectly matching our initial investigation purposes. The sustainable business model implemented by Patagonia is substantially reducing the company footprint, as well as the footprint of every customer that chooses a Patagonia product. As we are referring to a sustainable value proposition that is still unmatched by other fashion industry competitors, we can affirm that the seek for revenues from Patagonia is widely satisfied by its 'unconventional' business model. These last assumptions are eventually answering our first research question (**RQ1**→ Considering modern urgencies, how the adoption of sustainable business models in the fashion industry contribute to brand differentiation and customer loyalty?), from which this academic investigation has come to your attention.

Our suggestion for future researchers interested on this academic matter is to build an investigation that focus on a comparison between Patagonia's sustainable business model and other models coming from other fashion brands, even if they happen to be not sustainable in any form. One major limitation from the rigorous literature review of chapter one (Chapter 1: The Fashion industry and the adoption of Sustainable Business Models: A structured literature review) arise from our incapability in investigating other leading business models in the fashion industry, that could have been helpful to understand how major market players are responding to modern urgencies, apart from the successful business case that we have been able to administrate.

We remark, once again, how the lack of interest in such a critical topic from fashion industry entrepreneurs arisen from node number one (Authors' node) is a factor responsible for the low education of average consumers among the fashion sector. Therefore, our suggestion for leading fashion entrepreneurs is to invest in research and seek for constant contributors interested in enhancing the condition of such a polluting industry, which is taking an irreversible path toward an uncontrollable collapse. This contribution helped with analyzing a business model that is continuously investing in resource and academic research, which has led to an unparalleled brand differentiation and customer loyalty toward the Patagonia brand. Still to this day, Patagonia must be seen as a role model for every single fashion industry market player.

As already cited in the previous lines of this paragraph, this academic contribution, as rigorous and structured as it is, presents a series of limitations that still needs to be highlighted. First, the case study is focusing only on one company that is a leader in the subject of this paperwork and, considering the position held by Patagonia in the fashion industry market, this might influence the outcomes and findings reached during our investigation. Secondly, this academic study adopted a qualitative methodology in the interview held with Mrs. Gigliola Battocchio, with the intention to capture detailed answers that were coordinated with our research question aim. This specificity may have brought to biases or misinterpretations during the codification and collection of the interview results. To conclude, we acknowledge how governments and institutions are constantly ruling and imposing new laws that are increasing the expectation of responsible behavior coming from fashion brands. These increased expectations are the result of the rapid need for change that must be implemented in the industry in the short run. Therefore, the results and considerations coming to your attention in this contribution might need further integration and sectorial update in line with future industry development.



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