

# **The 11th National College Competition In Business Ethics Case Analysis & Microfilm - Case Study In English Topic**

## **CONSUMER AWARENESS OR PRODUCTION AWARENESS**

The University of Formosa Students' Union is considering another campaign to get college students to act on environmental sustainability. Last year, the Students' Union's handmade drink Cup Recycling on campus was a success because it drew students' attention to the problem of plastic pollution. Last year's event finally led to a series of cup recycling campaigns in 20 universities across Taiwan, and successfully led to mainstream media to follow up, prompting several famous handmade drink brands to express their willingness to participate in the recycling of cups more actively. Students' Union believes that students as consumers have come to understand that they have autonomy in their own consumption choices, and that they have really pushed big companies to raise the commitment level of sustainability.

The Students' Union turns its attention to the fashion industry this time. With the Social Enterprise Insights, local sustainable development associations, and many social enterprise initiatives, young people are getting more involved in climate change and tackling the environmental crisis. The Students' Union had hoped to draw attention to the fashion industry among college students across the country, based on the experience of previous cup recycling campaigns. However, some different thought has emerged within the Students' Union, arguing that it is too difficult to change people's consumption behavior towards fashion clothing, and that the production and management of the entire fashion production value chain should be concerned. There is a fierce debate in the Students' Union about which approach would have the greatest impact.

### **The University of Formosa Students' Union**

Formosa University is a private university in Taipei with emphasis on the fields of media, news, art, design, and business administration. Students can get to Xinyi district in 30 minutes by MRT or bike. Gap, H&M, Zara, Uniqlo and other famous brands stand in close proximity.

Students at the University of Formosa have been prominent in the major social movements of the past few years, many of whose leaders have come from the Students' Union. Teddy, a junior majoring in journalism and the president of the Students' Union, initiated the idea of recycling the handmade drink cups last year. Jean is vice president, junior in the design department, and she is the key figure in connecting the national-wide Students' Union to participate in the recycling of cups. Tina, a public relations officer and senior majoring in journalism, brought the recycling campaign to national attention by reaching out to seniors who were already working in the media industry and by accurately addressing the issue. The three were featured in Horizon magazine's Young Leaders of the future story earlier this year for their handmade drink cup recycling campaign last year.

Teddy believes that today's Students' Union should not only focus on university governance issues but should actively participate in sustainability initiatives. Teddy found that many professors participated in university social responsibility programs and led their students to solve various social and environmental problems. He believes that if the Students' Union can influence students' perception with one sustainable initiative after another, it will help the university to fulfil its social responsibility objectives.

After watching the documentary "The True Cost" in the course of "Journalism Ethics", Teddy decided that the Students' Union should propose to face the negative impact of the fast fashion industry. Jean, Tina, Henry, and other leaders of the Students' Union agreed with Teddy after watching the documentary. "I think the campaign is also aimed at arousing college students' awareness of responsible consumption," Teddy wrote on LINE chat group. "We did it last year. We can do it this year. We'll come up with concrete ideas and proposals in next Wednesday night!"

### **Understand Fast Fashion**

The fashion market can be divided into three main segments: luxury, high-end and mass market. In recent years, the public is concerned about the negative impact of the fashion industry on the mass market. The mass market includes basic-oriented retailers, as well as trend-oriented fast fashion brands that target young, fashion-conscious consumers who value good prices. Fast fashion is the largest player in this segment, which focuses on the rapid delivery of fashion clothing at extremely low prices. Design teams at fast fashion brands pay close attention to trends on a large scale (such as fashion shows and social trends) or a small scale (such as celebrity style), copy them and introduce new styles to consumers every two to four weeks. As a result, fast fashion brands don't have seasonal collections; Instead, they

release new styles throughout the year. The fast fashion brand is represented by Zara, which adopts vertical integration to bring all operational activities (design, production, distribution, and branding) under the direct control of the company. Vertical integration allows the company to keep the supply chain lean and responsive, which in turn can significantly reduce lead times (from design to store shelves in just two weeks!). And maintain low cost at the same time can quickly replenish the popular style. Low costs mean fast fashion brands must maintain low profit margins. It then generates revenue through significant merchandise turnover, resulting in great sales.

The True Cost documentary points out that traditional retailers and the current model of fast fashion seriously exploit the environment and labors. The fashion industry alone accounts for 10% of the world's total carbon emissions, more than the aviation and logistics industries combined. It is also the second largest water consumer in the world. However, developing countries actively compete for production orders from big fashion brands, continuously harming the ecological environment and endlessly cutting labor costs to meet the demand for low-cost fast fashion clothes in developed countries. For garment factory workers, low pay and long hours in unsafe working conditions are the result of large and urgent orders so that retailers can quickly sell the latest and most popular fashions in their stores. The collapse of the Rana Plaza building in Bangladesh in 2013, which killed more than 1,100 workers, showed how poorly workers in developing countries are sacrificing job safety in a low-cost competition. The fashion industry's supply chain is a vast, obscure and almost untraceable network of thousands of suppliers that cannot be adequately monitored and pursued if any violations occur.

The True Cost documentary also points out that some designers, consumers and fashion brands begin to advocate consumers to buy clothes that conform to the spirit of environmental sustainability, and even lower their desire to consume new clothes. However, there is a contradiction between price and ethics - sustainable fashion is often more expensive. For lower-middle class people who can't afford sustainable fashion, they buy cheap fashion out of necessity, not immorality. Consumers in developed countries donate their old clothes, or fashion brands donate their stock to developing countries to solve the problem of environmental pollution caused by clothing waste, which, ironically, stifles the development of the local garment industry in developing countries.

### **Divergent views in Students' Union**

At 7 PM on Wednesday, Teddy counts the participants in the students' Union office and hands out the prepared briefing materials. The cover of the handout is: "Fashion-awakening"

Teddy proudly said to the participants: "Last year the cup recycling campaign was very successful, I think the key is that we've been successful in getting the public to realize how much waste and pollution is being caused by the handmade drink cups that we drink every day, the ones that we only use once. I review the success of last year, I think our initiative strategy is very right. One of handmade drink's major consumer group is college students, If college students' attention is aroused and behavior is changed, it will soon affect the behavior of general consumers."

Teddy noticed that the almost all participants nodded at what he said, so he went on.

"All of you have seen The True Cost, and I believe you should be as shocked as I am after watching it. It turns out that fast fashion causes so many problems, full of exploitation and persecution. In my observation, college students are the main consumer group of fast fashion, who like the affordable price, diverse styles, and good-looking clothes. But how many college students know the negative issues behind the fast fashion? This time, I put forward the "Slow Fashion" campaign -- instead of buying a bunch of wearing only once clothes, buy the one you really like. We can also advocate everybody to buy second-hand clothes, as the documentary notes, most fast fashion clothes are worn only two or three times, and secondhand clothes are almost the same as new clothes. What do you think?"

Teddy looked at them all and he saw that most of them were nodding.

"I want to put forward a different point of view. I am not against the "Slow Fashion" proposal, but after I watched The True Cost, I think it is better to urge the whole production system to make adjustments and changes rather than changing the consumption pattern of consumers." Jean said.

Teddy was surprised that Jean had come up with a different idea. Jean stood up and gave the prepared briefing of the proposal to everyone.

"Production Awakenings," were the two bold words on the cover of the proposal brief.

Jean said. "This is a proposal I prepared with Henry. After watching the documentary, my biggest inspiration is that the production system in the fashion industry is the biggest problem. So, I talked to Henry about how we should start from the production side to fundamentally change the waste and insecurity of the fashion industry today!"

Henry is the Event Planning director of the Students' Union and Jean's classmate. He continued Jean's words: "I've been doing a lot of research to see if these consumer awareness campaigns are having an impact, and I was disappointed. There have been a couple of big used clothing platforms over the years, like The RealReal and Poshmark, but they're not for fast fashion, they're for luxury."

Henry turned to Teddy and said, "Teddy, you can ask your girlfriend if she would buy second-hand clothes from Zara or H&M. That's why buying second-hand clothes doesn't work!"

Everyone laughed and Teddy was embarrassed.

Jean said: "What we're saying is that fast fashion clothes are too cheap and too attractive for college students and society at large to stop buying. I'm afraid that slow fashion is not going to end up catching on enough to expect people to change their behavior."

"I support the President's proposal, we are familiar with consumer behavior awareness initiative, also have good relationship with other Students' Unions. We work with media during the past year of close cooperation on consumer awareness issues. I don't know why not leverage the successful experience. Consumer awareness can spread rapidly in social media, can quickly organize various activities. Think about it: to run a three-month used fashion OOTD challenge or to have a fast fashion brand reveal production information, which one is easier? I think you will want too naive. Oh my, you even ask those brands reveal the status of using recycling materials?" Tina looked emotional.

Jean wanted to respond, but Tina waved hand to stop her, "Let me finish first. President's slow fashion campaign is very feasible, and we don't have to too much preparation! In the cup recycling campaign, I had noticed a variety of consumer awareness activities, for example, the slow food initiative, that is to slow down the pace of life. I think the slow fashion mentioned by the president should be in the same way, to make the public realize that excessive consumption and efficiency is not good for their health and the environment."

"I really don't think making college students feel guilty is going to change behavior. Remember last year when we were doing an campaign, the owner of a handmade drink shop asked us, 'Do you know why we offer half sugar, light sugar, no sugar options?'" Henry asked.

"Because I choose fewer sweet drinks, I feel less fat, and I have less stress, so I buy more drinks." "Answered a participant. The answer got everyone laughing and took some of the tension away.

"That's right! Consumers and fast fashion brands will always find good reasons to relieve their guilt!" Henry said proudly.

Jean tries to draw attention back to the key issue, "Look at pages three to five and I'll talk about how to promote the Production Awakenings."

She proposed to utilize the strength of each Students' Union to complete three tasks:

1. Taiwan is a major producer of environmentally friendly recycled fibers and a major base for fast fashion brands. We should work with sustainability associations and mainstream media to reveal the real situation of garment manufacturers' eco-materials and garments shipment to fast fashion brands.
2. Reveal what sustainable product lines fast fashion brands currently have. These sustainable product lines must raise labor wages to a reasonable standard of living, improve job safety, increase a traceable production footprint, and use low-pollution or environmentally recyclable materials.
3. Follow the example of Good on You (an APP that provides the ethical level of fashion brands) to evaluate the ethical production standards of fashion brands in Taiwan, so as to provide reference for consumers.

Jean illustrated these ideas, has spent the last twenty minutes, "Finally, I want to tell you that these actions in Europe and the United States seems to be successful, some of the fast fashion brand announced that by 2025 will use 100% of the eco-material to make clothes. However, the actual situation is that these brands not transparently reveal production and labor situation. We should encourage producers and fashion brands to work towards responsible production, rather than just asking college students and the public to buy less."

Tina pulled her face and challenged Jean: "Jean, you are too far from the topic, do we have resources and ability to do these things? You have to know our role and capability. We are not media. We don't have dedicated people to do those things you mentioned. Do we have money to put into the investigation? Allow me to remind you why we achieve great success in the last campaign, because we started from affecting college students and the public! Please, be practical! "

When she finished, the room fell silent.

Teddy broke the silence, "Jean, Henry, remember why we started the cup recycling initiative? It's a way for college students to understand the importance of environmental sustainability. Why this time when I brought up sustainability in the fashion industry, I hope that one

initiative after another will raise the awareness of environmental sustainability among college students across the country."

Jean frowned and pursed her mouth.

Teddy notice Jean expression, continue to say: "Jean, if we turn to the production awakening, our Students' Union will become an environmental audit organization. What you and Henry have proposed is way beyond what we can do, and if we go this way, we will have no extra energy to talk more environmental sustainability issues"

Henry broke the silence, "Teddy, I believe production awakening is not difficult. We're not the first one to do it, Europe, and the United States there are many groups and organizations show us how to do. We just copy and learn. We're not just going to be the University of Formosa Students' Union alone, we're going to be able to connect with other university students across the country, and with the media relations that our PR officer has established, and I'm optimistic that we can be as successful as we were last year."

Jean said, "President, ladies and gentlemen, fast fashion is a very large and complex industry, let's head and began to confront serious problems of this industry. We don't have to feel so much pressure, and we don't have to solve all production awakening initiatives in our hands. All future student unions can continue to face this issue. I think, with producers awakening as the base, It will be twice as effective to push consumers awakening later."

Tina replied with a look of impatience, " You really over inflated yourself! The initiative is to make college students and the public aware what are most relevant to them. Only with the support of the masses can it be possible to promote the production awakening.

Some people agree with Tina, while others support Jean and Henry's proposal. Some participants even put forward the idea of doing both. Teddy listened patiently and quickly wrote down all the ideas in his notebook. After 20 minutes, he found that the discussion had become too heated. Many people were standing and talking loudly.

Teddy aloud to stop discussion, "I have to say that today's discussion to my surprise, I think this discussion is good and positive. The meeting has been for nearly two hours, you now have at least two proposals, consumer awakening and production awakening. I don't think we'll be able to do two proposals, it is not necessarily a dilemma, but it at least be a tradeoff. I would ask you to think about it, and next Wednesday, we will decide on the final course of action."

**The next step?**

Teddy looked at Jean and Tina as they left the Students' Union office without saying a word to each other. Jean's proposal, though very different from his, can be very influential if done well. However, Tina also spoke to his heart that consumer awareness is the direction in which human resources and capabilities are now more assured.

In the past year, no one thought that a group of college students could lead such a successful initiative. After last years' experience, he does feel that college students are becoming more and more enthusiastic to act as changers today, to change this unfair, unjust and unsustainable environment.

"Before next Wednesday's meeting, I might need to find out what role the Students' Union should do in social initiatives." "He murmured to himself.

### **Discuss the problem**

1. Teddy and the Students' Union should choose consumer awareness or production awareness as the main initiative? Why?
2. What stakeholders' interests are involved in consumer awakening and production awakening respectively? In terms of Triple Bottom Line (TBL) or 3PL (People, Planet and Profit), how does the consumer awakening and production awakening solve the sustainability issues respectively?
3. Based on your suggestion to Teddy and the students' Union, how do you think the "success" of the initiative should be measured? What are the planning and implementation priorities of the initiative?