

Economics

Conscious shopping

RecyCOOL Lessons

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Conscious shopping

Description:of the lesson

This lesson raises awareness about conscious shopping. We will provide contextual insights focusing on pricing, as well as a definition of conscious shopping, to help participants to critically analyse differences between sustainable and unsustainable fashion brands and products, through mind mapping and discussion.

Objective:

Objective of this lesson is to compare the sustainable and unsustainable purchases of a T-shirt.

After this lesson you will be able to:

- know more about the variants of sustainable shopping
- make decisions on how you spend your money on clothes, in a more sustainable way.

Tools and materials:

pen, paper and the internet

CONSCIOUS SHOPPING:

Shopping decisions that are made based on research as the best sustainable choice available on the market for the customer.



Have you ever thought about how much it costs to make a t-shirt? Is the lower price the most important factor in your decisions while you are shopping?

The cheapest purchasing option is to purchase from a fast fashion brand. You can have a big number of trendy clothes in your wardrobe for very little money, but the true cost of that is not visible. In the case of t-shirts, for example, the price is calculated to ensure it covers the following:

Just be careful: paying more for a luxury brand t-shirt does not mean the worker has been paid more.

RETAIL MARKUP:

It is the cost of employees - such as staff (not garment workers), rent, mark-up and profit margin

MARKUP:

Markup refers to the value that a player adds to the cost price of a product. The value added is called the mark-up. The mark-up added to the cost price usually equals retail price. Higher the markup, greater the cost to the consumer, and greater the money the retailer makes.

PROFIT MARGIN:

The profit margin is a ratio of a company's profit (sales minus all expenses) divided by its revenue. The profit margin ratio compares profit to sales and tells you how well the company is handling its finances overall. It's always expressed as a percentage.

- Markup refers to the cost; margins to the price.

MANUFACTURING COSTS:

Cost is the economic value of the resources used to make a product. Garment costing is the process of evaluating the total cost of garment production. The garment production cost includes materials, labour, transportation, and operating costs of the business. In sustainable brands the retail markup is usually higher, because they use more quality materials.

Some materials can be certified to show their quality in some way, such as:

- The Global Organic Textile Standard (GOTS)
- The STANDARD 100 by OEKO-TEX
- and more...



Production costs money too, as the workers who make the garments need to be paid. **The minimum wage in Bangladesh is 1,500 taka per month which is 15 Euros.** Many fashion brands don't pay their workers properly – not even the minimum wage.

The 2022 Fashion Transparency Index finds that 96% of the 250 major fashion brands and retailers evaluated according to their level of public disclosure on various human rights and environmental Indicators, do not disclose paying garment workers a living wage.

BRAND MARGIN:

Illustrates consumers' perceptions of brand value. Different brands have different margins. The margin is what the brand itself profits from.

FACTORY MARGIN:

Other costs that are not part of the garment itself, such as electricity, taxes, administration at the factory – these all need to be factored into the product's final price.

FOB (FREIGHT ON BOARD)

It indicates what the brand pays to the factory. Freight on Board refers to the cost of fully finished and packaged goods delivered by the factory to the port of export in their country and placed on board an ocean -going vessel.

FOB includes the cost of shipping garments from their export to the importer's country, clearing customs and paying associated costs and delivery (in most cases) to the brand's own warehouse or distribution center.

TRANSPORT:

This cost refers to what is paid for transportation of the product, from the factory to the freight - or means of travelling overseas, or from country to country. Freight can be via plane (faster and more expensive) or boat (slower, but cheaper).

WHOLESALE:

This refers to the total cost a store pays for the garment. Most wholesalers sell bulk products at a lower price and offer the buyers of these products discounts, depending on the quantity they purchase.

For example, if a brand buys in a larger number of a product, the wholesaler will sell the style at a lower cost per piece.

The wholesaler role can vary within the supply chain. A wholesaler may simply sell goods to another company for direct sales to consumers, or the wholesaler may also manufacture the goods being sold.

A GOOD EXAMPLE [HERE](#) (SCROLL DOWN - not endorsing the brand)

RETAIL:

This price is the price the customer actually pays for the garment, once it is ready in the store and available for the public to purchase.



Cost breakdown of a sample €29 t-shirt

SEE TECH HIGHLIGHTS BETWEEN PAGES 16-20

If garment workers were paid a living wage, how much more would you pay for the same t-shirt?

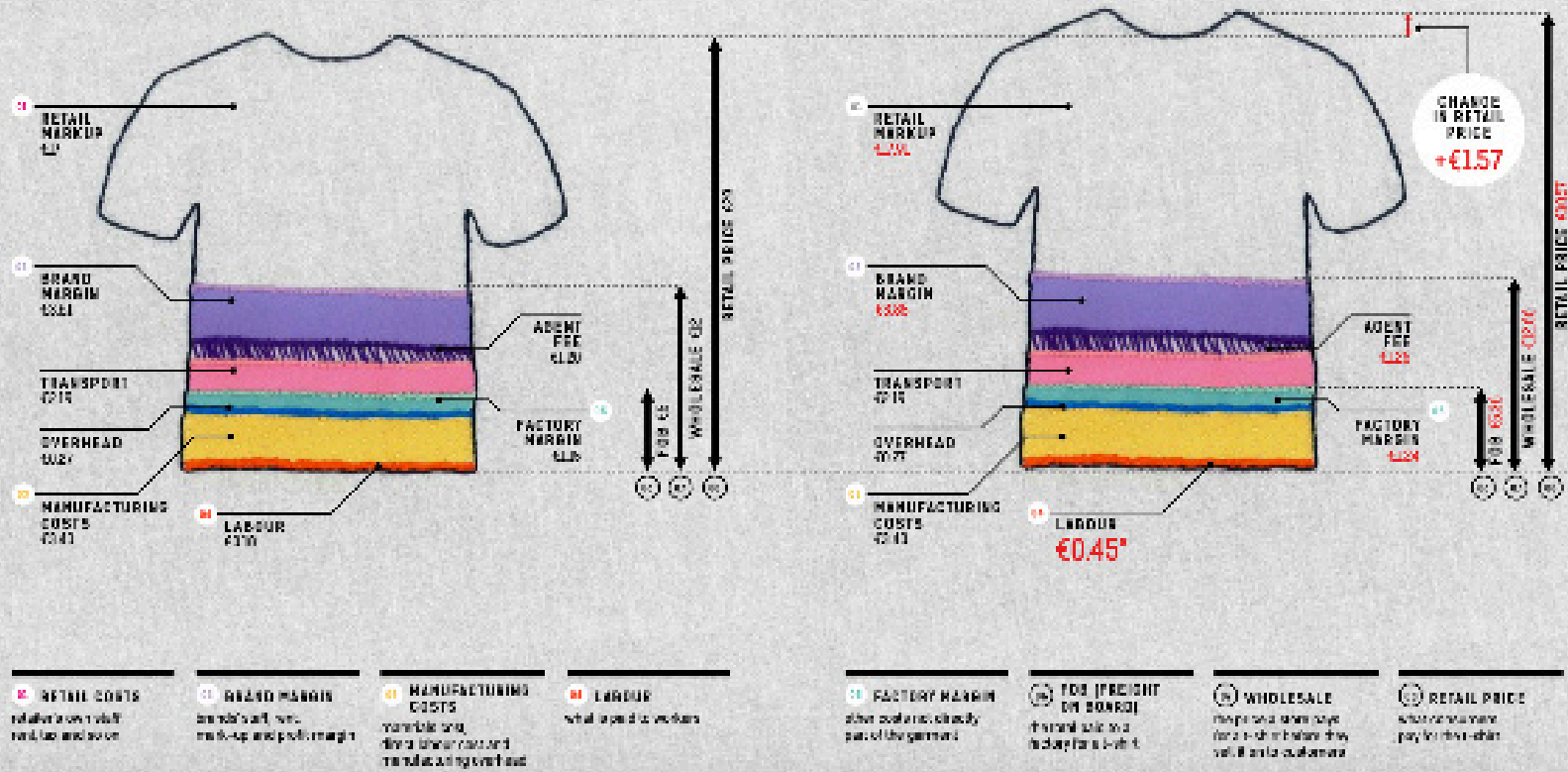
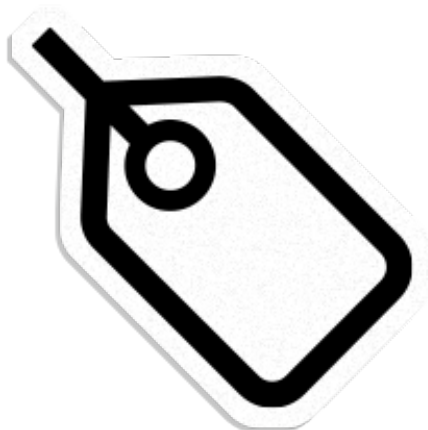


Photo credit: [Fashion Revolution](#)



What makes a fashion brand sustainable?

1 FAIR WAGES AND PRICE POLICY

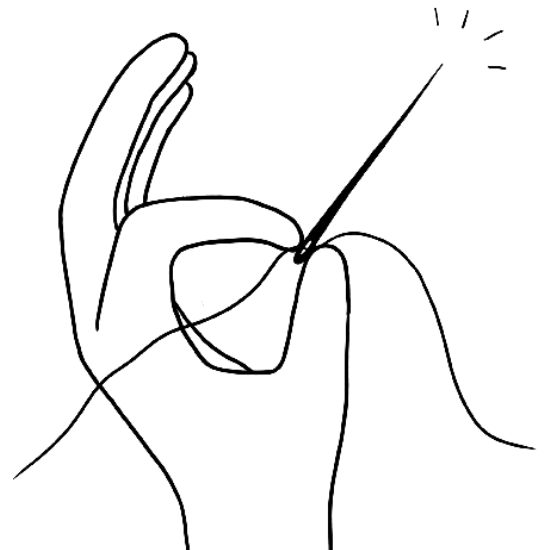
2 SAFE WORKING ENVIRONMENT

3 ENVIRONMENTALLY CONSCIOUS PRODUCTION

- **TEXTILES** (Fibre forming, spinning, fabric construction, dyeing, finishing, surface applications)
- **GARMENT** (Pattern cutting)
- **TRANSPARENT SUPPLY CHAIN**
- **TRANSPORT**
- **NATURAL WELFARE**
- **CONSIDERATION AROUND END OF LIFE** (Secondary markets)

4 SOPHISTICATED DESIGN

- **LONGEVITY**
- **FUNCTIONAL CLOTHES**
- **CONSUMER INSIGHTS** (Research based practise)
- **CIRCULAR PRODUCT**



What makes your shopping conscious?

1 SELF-AWARENESS

- To know your style and be aware of what you **NEED** to buy and what you **WANT** to buy – to not purchase **IMPULSIVELY**
- To be aware that **trendy doesn't mean functional or comfortable**

2 BRAND-AWARENESS

- **CONSCIOUS SHOPPING CERTIFICATES** (FAIRTRADE, PETA, etc.)
- **CONSCIOUS CONSUMPTION PLATFORMS** (Good On You)
- **BRAND TRANSPARENCY** (You can look at [the Global Fashion Transparency Index](#) to see how transparent some of your favourite brands are)

3 PRODUCT-AWARENESS

A QUALITY:

- **LONGEVITY SEWING QUALITY**
- **MATERIAL COMPOSITION** (+DYEING, FINISHING, etc.)
- **FITTING** (body and wardrobe)
- **MAINTENANCE**

B PRICE

C PRODUCT ORIGIN AND SUPPLY CHAIN

4 MARKET-AWARENESS

- **THRIFTING** (all forms of resale)
- **ONLINE SHOPPING AND DIGITAL FITTING**

Task 1

PRICING

Create a mind map summarising all possible information you can find (price, materials, origin, etc.) about a single white T-shirt from four different areas of the fashion market. Find this information online.

- Fast fashion
- High end
- Sustainable brand
- Local fashion brand/ producer/ designer

SUPPORT QUESTIONS

1 Are the prices of a T-shirt from chosen brands different or similar? Why is that?

2 What T-shirt is the most expensive? Which one is the cheapest? What is included in the price?

3 What do you think? In which example were the workers paid the most? Can you find information about how much money from the price you pay as a customer goes towards the wages, materials, design and transport? There is a lack of transparency in the fashion value chain but fast fashion brands often do not pay, or do not disclose that they pay, workers as much as an ethical brand might, for example.

Task 2:

BRAND SUSTAINABILITY CHECK

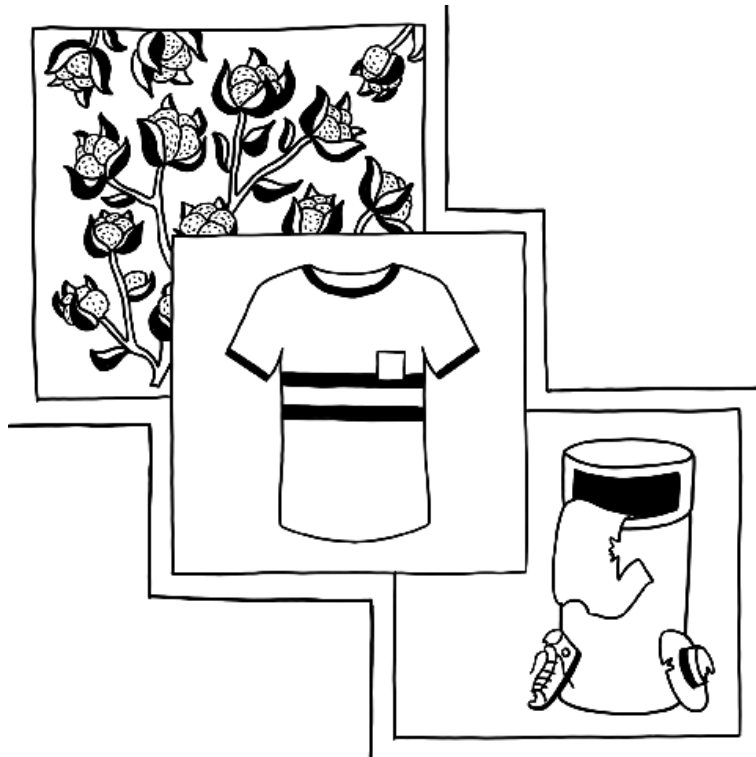
Use [GOODONYOU.ECO](https://www.goodonyou.eco) to check if the brands you chose in the first activity are sustainable

SUPPORT QUESTIONS

1 What sort of information about brands can you find through using the GOOD ON YOU website/app?

2 Are there any other similar platforms? Where else online can you find similar information?

Tip to check if the brand is sustainable: [Good On You](https://www.goodonyou.eco) app.



Reflection

What is your personal experience with conscious shopping?
What platforms can you use to find information about brand sustainability?

According to State of Fashion 2021 made for Business of Fashion with garment workers, sales assistants and other low-paid worker operations at the sharp end of the crisis, consumers have become more aware of the plight of vulnerable employees in the fashion value chain.

As momentum for change builds alongside campaigns to end exploitation, consumers will expect companies to offer more dignity, security and justice to workers throughout the global industry.

Fashion's impact on the environment has been in the crosshairs of public perception for some years, as environmental activism increased in prominence and brands started to become more transparent about their practice.

Now, social justice and human rights are gaining a higher share of attention, in the conversation about the pressing need for the fashion industry to improve its sustainability credentials.

While it is yet to be seen whether consumer attitudes will translate into tangible changes in purchasing behaviour, it is certain that the pandemic has amplified public awareness of social injustice in the supply chain.

Resources

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Attachments

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