

The impact of supplier corporate social irresponsibility on MNEs sales performances: a consumer approach

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Année académique 2016-2017
Master en Ingénieur de gestion

Abstract

In the early 1990s, MNEs came under public scrutiny for their irresponsible sourcing practices, after revelations that their supplier's workers in developing countries were working under exploitative conditions. Nevertheless, irresponsible behaviour and poor working conditions in global supply chains remain contemporary issues in developing countries. Managing corporate social responsibility issues in global supply chain is an important area of research. However, research has mainly focused on the business case for CSR: determining the positive impact CSR initiatives may have on corporate performances. Contrary to the business case for CSR, this master's thesis assumes that there is a negative relationship between supplier CSI and MNEs sales performances.

The literature review of this thesis is mainly built around the corporate social responsibility literature and the attribution theory literature. The research model and related hypothesis are derived from previous research in those fields. The empirical data was collected in spring 2017 through an online self-administered vignette-based experiment survey. Walloon consumers were set as the studied population. The data collection resulted in 202 observations for each vignette. The empirical data was analysed with descriptive statistics and factor analysis and the examination of the relationships derived from the research model is done by means of structural equation modeling.

In studying how consumers react to supply chain incidents and how supply chain incidents impact sales of MNEs, I find that consumers negatively react to supply chain incidents caused by irresponsible suppliers and consumers negative reactions deteriorate sales of MNEs through boycott. Those findings contribute to existing international business research by demonstrating that contrary to the business case for CSR there is a negative relationship between supplier CSI and MNEs sales performances because understanding what factors impact sales performances of MNEs and whether consumers can affect MNEs sales is key to incite MNEs to address their suppliers' irresponsible behaviour and to eliminate CSI behaviour from supply chains. This would therefore resolve supply chain social issues and improve working conditions in supply chains.

Additionally, those findings have managerial implications. Indeed, supplier CSI negative impact on MNEs sales suggest a fundamental revision of offshoring advantages and disadvantages. This paper suggest that captive offshoring is most fitted to address consumer negative reaction to supply chain incidents and related sales decrease while maintaining most of the advantages derived from offshoring.

Keywords supply chain, CSR, CSI, fast fashion, MNE, offshoring, responsibility, attribution

Acknowledgements

As a Double Degree student at the Louvain School of Management and at the Aalto University School of business, my academic background has been influenced by two fields of studies: supply chain management and management and international business. This master's thesis is the result of these influences.

This research is the fruit of my efforts but it would not have been possible without the precious help, the judicious advice and the availability of my two supervisors. Therefore, I would like to express my gratitude to Rilana Riikkinen from the Aalto University School of Business and to Vincent Truyens from the Louvain School of management.

I would like to thank my family members and friends for their relentless support. I also would like to thank Karoliina for her thorough review of my work. Finally, a special thank you goes to Emma for believing in me.

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List of abbreviations

AN	Anger
BO	Boycott
CSI	Corporate Social Irresponsibility
CSR	Corporate Social Irresponsibility
DLE	Disintegration Location Externalization
FDI	Foreign Direct Investment
ILO	International Labour Organization
ISO	International Organization for Standardization
MNE	Multinational Enterprise
NGO	Non-Governmental Organization
OI	Organizational Identification
OLI	Ownership Location Internalization
OSH	Occupational Health and Safety
PCSI	Perceived Corporate Social Irresponsibility
RA	Responsibility Attribution
SA	Social Accountability
SSMS	Supplier Safety Management System

1. Introduction

1.1 Background

As early as they started to exist, Multinational Enterprises (MNEs) have been accused of irresponsible behaviour. Starting in the first half of the 17th century, the English East India Company was among the first organizations to internationalize its activities but it was also the first multinational to be accused of irresponsible behaviour. (Micklethwait and Woolridge, 2003). However, irresponsible behaviour and poor working conditions in global supply chains remain a contemporary issue especially in developing countries (Soundararajan and Brown, 2016) where fast fashion MNEs offshore their production.

In the early 1990s, fast fashion MNEs came under public scrutiny for their irresponsible sourcing practices, after revelations that their suppliers' workers in developing countries were working under exploitative conditions (Lund-Thomsen and Lindgreen, 2014). Companies such as Nike, Disney, Benetton and Adidas were publicly pressured and held responsible for the social irresponsible behaviour of their suppliers (Anisul Huq et al., 2014). Following those scandals, fast fashion MNEs integrated social sustainability aspects as fundamental parameters of purchasing and sourcing decisions (Carter and Rogers, 2008; Pagell and Wu, 2009) and have implemented social auditing schemes, also called corporate codes of conducts (Lund-Thomsen and Lindgreen, 2014). However, these measures have brought limited working conditions improvements for the labour in developing countries (Lund-Thomsen and Lindgreen, 2014). Despite these recent evolutions, poor working conditions in global supply chains remain a contemporary issue in the garment industry (Soundararajan and Brown, 2016) although numerous academic papers have been produced about fast fashion (Barnes and Lea-Greenwood, 2006; Barnes and Lea-Greenwood, 2010; Gabrielli et al., 2013), there is a lack of research on CSR practices within fast fashion MNEs active in the fast fashion industry (Arrigo, 2013).

In recent times, fast fashion MNEs came again under public scrutiny for their irresponsible sourcing practices. On September 2012, shortly after being certified SA8000, a Pakistani garment factory located in Karachi burst into flames killing more than 300 workers (Walsh and Greenhouse, 2012). On November 2012, a Bangladeshi factory in Dhaka burnt down killing 112 workers despite extensive social auditing performed by Western MNEs (Yardley et al.,

2012). And on April 2013, The Bangladeshi factory called Rana Plaza collapsed killing more than 1,100 workers (Yardley, 2013). The three factories, located in developing countries, were producing garments for fast fashion MNEs located in developed countries. These recent dramatic incidents illustrate that there is still progress to be made in terms of social sustainability in developing countries. Fast fashion MNEs struggle to address and manage supply chain related social sustainability issues (Klassen and Vereecke, 2012) and to improve the working conditions of upstream suppliers (Matos and Hall, 2007).

1.2 Research problem and gap

Managing corporate social responsibility issues in global supply chain management has become an important area of research (Soundararajan and Brown, 2016). A great deal of research about environmental issues in global supply chain management has been produced (Carter and Rogers, 2008; Seuring and Müller, 2008; Ashby et al., 2012). Environmental issues in supply chains have been better addressed in theory and in practice than social issues because environmental issues can be addressed through technical regulations (e.g. limitation of CO₂ emissions) with measurable results. As Escobar and Vredenburg (2011, p.43) argue: “technically oriented regulations are easier to enforce and adopt than broader and complex regulations that require MNE’s allocation of resources to social issues”. Although, for the last three decades the social agenda has been entering the supply chain management theory and practice, there is a lack of research addressing the social aspects of CSR (Carter and Rogers, 2008; Reuter et al., 2010; Sarkis et al., 2010).

The absence of an international framework for global justice in supply chains (Soundararajan and Brown, 2016) and the weak regulatory frameworks of developing countries (Djankov and Ramalho, 2009) partly explain why working conditions improvements have been limited. Because of the absence of an international framework for global justice in supply chains, the absence of financial penalties and because they are not liable for the wrongdoing of their suppliers, firms have no financial incentives to improve conditions. In addition, improvement in working conditions in global supply chains has often been characterized by initiatives that were economically sustainable and driven by fast fashion MNEs willing to maintain the quality of the supplied products over the social needs of the workers (Crane et al, 2014; Soundararajan and Brown, 2016). The improvement of working conditions in supply chains depends on the economic profitability of such initiatives. The positive impacts CSR initiatives may have on corporate performances has been subject to a lot of research. Researchers have tried to

determine whether corporate social responsibility (CSR) leads to enhanced financial performances (McGuire et al., 1988; Simpson and Kohers, 2002; Margolis and Walsh, 2003; Orlitzky et al., 2003; Trudel and Cotte, 2009) or they have tried to demonstrate whether responsible supply chain practices led to competitiveness and economic performance (King and Lenox, 2002; Rao and Holt, 2005; Porter and Kramer, 2006; Vilanova et al., 2009; Carroll and Shabana, 2010; Gregory et al., 2014). The idea that CSR initiatives bring economic added value to corporations is usually referred as “the business case for CSR”. Partisans of the business case for CSR argue that if CSR initiatives improve firms’ financial performances, firms will be willing to develop CSR initiatives and make their operations more responsible. But findings on that matter remain inconclusive (McWilliams and Siegel, 2001).

Contrary to the business case for CSR that aims to establish a positive relationship between corporate social performances and corporate financial performances and elaborating from Grappi et al. (2013a) and Lund-Thomsen and Lindgreen (2014), this master’s thesis assumes that there is a negative relationship between supplier corporate social irresponsibility (CSI) and MNE sales performances (Lund-Thomsen and Lindgreen, 2014). Unlike the business case for CSR, it is believed that firms will be willing to eliminate corporate social irresponsible practices and make their operations more responsible because otherwise it deteriorates their financial performances.

It is assumed that when confronted with irresponsible social practices in supply chains, NGOs and medias could bring sufficient pressure on fast fashion MNEs by organizing consumers boycott or by drawing attention via shaming campaigns. Consumer boycott are believed to impact MNEs sales performances and should force fast fashion MNEs to improve the working conditions of their suppliers via corporate codes of conducts for example. (Locke et al., 2009; Lund-Thomsen and Lindgreen, 2014). Sweetin et al. (2013) discovered that consumers were more likely to punish and less likely to reward socially irresponsible firms in comparison with socially responsible firms. They also found that the purchase intention and the brand attitude were lower for the socially irresponsible firms compared to the socially responsible firms (Sweetin et al., 2013). From their findings, Sweetin et al. (2013) conclude that customers are willing to punish firms for CSI actions or activities.

International trade is evolving and the concept of CSR in global supply chains is changing with it. Multinational enterprises and, in this case, fast fashion MNEs are more often held responsible not only for their operations in their home country but also for the activities of their global

suppliers even if they are not linked together through shared ownership. (Andersen and Skjoett-Larsen 2009; Maloni and Brown 2006, Soundararajan and Brown, 2016). Hartmann and Moeller (2014) discovered the existence of chain liability effect which implies that customers hold multinationals enterprises responsible for the environmental irresponsible behaviour of their suppliers and entails negative sales performances for firms. However, whether this holds true considering the social dimension of CSR in a global supply chain context, has not yet been studied.

1.3 Research questions

Demonstrating the existence of a chain liability effect in supply chains could encourage fast fashion MNEs to take wiser management decision and would incite them to make their supplier improve the working conditions and commit to CSR principles. On the other hand, the absence of a chain liability effect could motivate formal and informal institutions to vote new and more stringent regulations to ensure chain liability and global justice. Fast fashion MNEs offshore their production to emerging/developing countries and consumer reaction to supply chain incidents and potential negative consequences for sales performances could be a call for a fundamental questioning of offshoring practices (Grappi et al., 2013a). Therefore, the main objective of this research is to find out *how does supplier corporate social irresponsibility impact MNEs sales performances?*

In order to find out how does supplier corporate social irresponsibility impact MNEs sales performances the present study adopts a consumer approach. The objective of the consumer approach is to find evidence whether consumers purchase behaviour is impacted by corporate social irresponsibility in supply chains. As an attempt to provide an answer to this question, the current paper assesses consumer reaction to supply chain incidents by studying study how consumers attribute the responsibilities of a negative event (Weiner, 1980, 1986 and 1995; Lange and Washburn, 2012; Hartmann and Moeller, 2014) and how customer's belief about responsibilities and related emotion translate into actions potentially impacting MNEs performances (Weiner, 1995; Folkes and Kamins, 1999; Bougie et al., 2003; Watson and Spence, 2007; Kalamas et al., 2008; Funches, 2011, Lindenmeier et al., 2012) by means of presenting consumers with supply chain incidents caused by irresponsible suppliers. Therefore, this research asks: *how do consumers react to supply chain incidents?*

In addition to researching how consumers react to supply chain incidents, the findings need to be contextualised and analysed in order to explain *how do supply chain incidents impact sales*

of MNEs. The consequences on MNE sales and related financial performances may encourage MNE to adopt more responsible supply chain practices (Lund-Thomsen and Lindgreen, 2014). The main research question is answered by providing answers to the two sub questions. The first research sub question is answered by assessing customer responsibility attribution, customer anger and customer boycott intentions when confronted to supply chain incidents caused by irresponsible supplier behaviour. The answer to the second research sub question is inferred from the results of the first research question and discussed in the discussion chapter (see chapter 5. Discussion).

To conclude the research problem and gap, the current study aims to bring answers to the following research questions:

1. How does supplier corporate social irresponsibility impact MNEs sales performances?
 - a. How do consumers react to supply chain incidents?
 - b. How do supply chain incidents impact sales of MNEs?

Through these research questions, this thesis aims to demonstrate the presence or absence of a chain liability effect for OSH incidents. In addition, I believe that understanding what factors impact the performances of MNEs and whether consumers can have an effect is key to incite MNEs to address their suppliers' irresponsible behaviour to improve working conditions by eliminating CSI behaviour and practices and therefore resolving supply chain social issues.

1.4 Definitions

This section of the introduction chapter provides definitions of important concepts and terms present in this thesis. It is worth noting that some notions covered in this thesis are not defined here but in the literature review, mainly because their definitions are a point of discussion in the literature and it is therefore worth dealing with them in depth. This section also gives precision about terms that are used interchangeably.

Chain liability

In a supply chain context, chain liability must be understood as: “the causal inferences by which consumers attribute responsibility for unsustainable supplier behaviour to a focal firm” (Hartmann & Moeller, 2014, p.282). Chain liability is a cognitive process. For Hartmann and Moeller (2014), unsustainable supplier behaviour refers to behaviours resulting in environmental wrongdoing/incident. However, the current study focuses only on social issues and unsustainable behaviour refers to supplier behaviour resulting in OSH incident. The definition also mentions a “focal firm”. The focal firm is the firm to which consumers attribute responsibilities. In this thesis, the focal firms are the fast fashion MNEs.

Corporate Social Irresponsibility

Strike et al. (2006, p.852) define CSI as: “the set of corporate actions that negatively affects an identifiable social stakeholder’s legitimate claims”.

Corporate Social Responsibility

The CSR definition the current study adheres to is the definition of Blowfield and Frynas (2005). They define CSR as: “an umbrella term for a variety of theories and practices all of which recognize the following: (a) that companies have a responsibility for their impact on society and the natural environment, sometimes beyond legal compliance and the liability on individuals; (b) that companies have a responsibility for the behaviour of others with whom they do business (e.g., within supply chains); and (c) that business needs to manage its relationship with wider society, whether for reasons of commercial viability or to add value to society” (Blowfield and Frynas, 2005, p.503).

Multinational Enterprises

Multinational Enterprises (MNEs) are at the centre of the present study since it will be investigating how corporate social irresponsibility at supplier level, via consumer behaviour, impact their performances. But what are MNEs? The most suitable definition of an MNE, for

the current study, is the one of Cantwell, Dunning and Lundan (2010, p.569) in line with Dunning and Lundan (2008), they define the MNE as: “a coordinated system or network of cross-border value-creating activities, some of which are carried out within the hierarchy of the firm, and some of which are carried out through informal social ties or contractual relationships. Thus, an MNE is not defined solely by the extent of the foreign production facilities it owns, but by the sum of all its value-creating activities over which it has a significant influence. These activities may involve foreign sourcing of various intermediate inputs, including the sourcing of knowledge, as well as production, marketing and distribution activities”. The MNE definition cited above is particularly relevant for this master’s thesis because it specifically states that the network of an MNE can be made of contractual relationships and because it states that MNEs are not exclusively defined by their ownership structure. Both elements are particularly important for MNEs evolved in the garment or the electronic industry because these two industries are characterized by MNEs outsourcing their production to developing/emerging countries but not necessarily by owning production facilities there.

Occupational safety and health

The International Labour Organization (ILO) has identified and defined basic principles relating to OSH. In 1984, ILO stated that: “work should take place in a safe and healthy working environment and that conditions of work should be consistent with workers’ well-being and human dignity” (ILO, 1984). According to Alli (2008, p.17): “all workers have rights. Workers, as well as employers and governments, must ensure that these rights are protected and must strive to establish and maintain decent working conditions and a decent working environment”. Building from this, the present study defines an OSH incident as an incident where workers are killed or injured due to unsafe and unhealthy working environment and/or where working conditions do not respect workers’ well-being and human dignity. In the text, OSH issues and OSH incidents are often referred to as social issues and social incidents.

Offshoring

Offshoring is a business practice related to outsourcing. As defined by Contractor et al. (2010, p.1417), outsourcing is a: “conscious abdication of selected value chain activities to external providers”. The activities can be outsourced in the home country of the firm or to a foreign country. However, offshoring exclusively pertains to the transfer of activities that were previously carried out in the home country of a firm to a foreign location (Murtha et al., 2006). The offshored activities are either performed by a subsidiary of the MNE or by a contracted

partner/supplier (Contractor et al., 2010). The difference between offshoring and outsourcing matters because the current study is exclusively concerned with fast fashion MNEs offshoring the manufacturing of their production to developing countries.

Supply chain management

MNEs rely on foreign sourcing to create value (Cantwell, Dunning and Lundan, 2010). MNEs have adopted vertical integration strategies and rely extensively on suppliers to carry out their production (Tokatli, 2008). Handfield and Nichols (1999) define supply chain as encompassing “all activities associated with the flow and transformation of goods from raw materials stage (extraction), through to the end user, as well as the associated information flows. Material and information flow both up and down the supply chain”. And therefore, supply chain management (SCM) is: “the integration of these activities through improved supply chain relationships to achieve a sustainable competitive advantage” (Handfield and Nichols, 1999). The supply chain management concept is essential to understand the evolutions of MNEs developed in the next section.

Supplier Corporate social irresponsibility

A recurrent notion of this thesis is the idea of supplier corporate social irresponsibility also referred to as supplier irresponsible behaviour. Hartmann and Moeller (2014, p.281) define unsustainable supplier behaviour as: “supplier behaviours that reduce ecological capital and harm the environment; it differs from poor performance or supplier wrongdoing, which instead imply general deviance from basic supply chain management objectives (e.g., cost, quality, service, flexibility)”. Elaborating on Hartmann and Moeller (2014) and on the CSI definition of Strike et al. (2006), in the present study supplier corporate irresponsibility refers to suppliers’ actions and/or behaviours and/or wrongdoing leading to lead to an occupational safety and health incident that negatively affects an identifiable social stakeholder (e.g. workers). In the present study, the terms “supplier irresponsible supplier behaviour”, “irresponsible supplier behaviour” or supplier corporate social irresponsibility are used interchangeably.

Sustainable supply chain management

Recently, the supply chain management literature evolved from standalone point of view on social and environmental issues to embrace the concept of sustainability. The supply chain management field recently witnessed the emergence of a sustainable supply chain management field in the academic literature (Carter and Easton, 2011). Seuring and Müller (2008, p.1700) define sustainable supply chain management as: “the management of material, information and

capital flows as well as cooperation among companies along the supply chain while taking goals from all three dimensions of sustainable development, i.e., economic, environmental and social, into account which are derived from customer and stakeholder requirements”. The sustainable supply chain management concept captures the idea that cooperation between supply chain actors is necessary to achieve sustainability and that sustainable initiatives are derived from stakeholders’ requirements. However, a large body of the sustainable literature relating to supply chain concerns green supply chain management (GSCM) or environmental initiatives. Recent reviews of the sustainable supply chain management literature found that the environmental dimension is better represented and more developed than the social dimension (Carter and Rogers, 2008; Ashby et al., 2012). This paper focuses exclusively on the social aspect of sustainability. Social sustainability relates to the management of human and societal capital (Sarkis et al., 2010).

1.5 Thesis structure

First, the literature introduces fast fashion as a business model, addresses the issues relating to offshoring productions to developing countries and particularly the working conditions of developing country suppliers, discusses the macro-economic drivers shaping offshoring practices and explain the emergence and the advantages of offshoring by means of the OLI and DLE frameworks. The literature then discusses responsibilities in supply chain and argues for the lack of accountability of fast fashion MNEs in the supply chain, goes on with MNEs motivations for the adoption of CSR principles and the global supply chain governance. Finally, the literature review argue that more importance should be given to corporate social irresponsibility and eliminating irresponsible practices rather than focusing on corporate social responsibility and implementing responsible practices. The research model developed to address the research question is then presented and argued for with the relevant literature. The theory regarding the research model is then followed by the development of the related hypotheses.

Second, the methodology chapter discusses why the vignette-based survey experiments was selected as the appropriate methodology to test the hypotheses. The selection of the fast fashion MNEs included in the vignettes is justified and the three vignettes and related scenarios are presented and put in relation to the hypothesis. The methodology chapter also summarizes which population is studied, how the sample was produced, how the data was collected and the demographics of the respondents included in the sample. Afterwards, the statistical analysis method picked to perform the data analysis is presented. The data is analysed with structural equation modeling.

Third, the empirical findings chapter presents the empirical results obtained from the structural equation modeling. The results are then discussed in relation to the research questions and the literature in the discussion chapter. Additionally, the OLI and DLE frameworks will be further used to discuss the findings and other outsourcing/offshoring practices available to fast fashion MNEs that are less subject to supplier irresponsible behaviour or that yield more control over the offshored activities and the advantages that can be derived from them.

Finally, the conclusion chapter presents the main findings, theoretical contribution of this research, the managerial implications and the limitations and suggestions for future research. The last two chapters following the conclusion chapter are devoted to the list of references and the appendix.

2. Literature Review

The literature review of this thesis is mainly built around the corporate social responsibility literature and the attribution theory literature. The research model and related hypothesis are derived from previous research in those fields. The first chapter of the literature review addresses fast fashion and related sourcing practices. The second chapter addresses corporate social responsibility in the context of MNEs and supply chains. The third chapter develop the research model of the current study. And finally, the last chapter of the literature review develop the hypothesis related to the research model.

2.1 Fast fashion

In the current study, fast fashion MNEs are multinational enterprises running global supply chain operating in the garment industry. The following sections aim to introduce fast fashion as a business model and explain the emergence and the success of offshoring among fast fashion MNEs. In addition, in order to understand offshoring and its related advantages it is discussed through the lens of an IB framework: the eclectic paradigm.

2.1.1 Fast fashion: a business model and related issues

Fast fashion has become an important field of research because it concerns the oversupplied and highly competitive garments industry; and because it disrupted the strategic approach to supply chain management (Barnes and Lea-Greenwood, 2006). Fast fashion is “a business strategy which aims to reduce the processes involved in the buying cycle and lead times for getting new fashion product into stores, in order to satisfy consumer demand at its peak” (Barnes and Lea-Greenwood, 2006, p. 259).

Socio-cultural change in consumer’s lifestyle is a key factor explaining the outbreak of the fast fashion phenomenon. Consumers have become highly knowledgeable about fashion trends and trendy, disposable and affordable clothing as a manner to fulfil their needs and to adapt to their surroundings (Cachon and Swinney, 2011; Gabrielli et al., 2013). This approach to fashion is trans-generational: young consumers seek affordable and disposable clothes to be fashionable and mature consumers give up on expensive quality clothing to be able to renew their wardrobe more often (Bhardwaj and Fairhurst, 2010; Gabrielli et al., 2013). According to Doeringer and Crean (2004): “the key ingredients of fast fashion are the ability to track fashion trends quickly and to identify potentially popular new designs through daily proximity to fashion markets, fashion images and fashion makers”. Taking account of the nature of consumer demand causes

a shift from a push strategy (supply chains driven by buyer/supplier) towards a pull strategy (supply chain driven by consumer demand) for fashion production (Doyle et al., 2006; Sull and Turconi, 2008).

The two most essential aspects shaping the fast fashion business model are: lead time reduction and consumer demand (Barnes and Lea-Greenwood, 2010). First, fast fashion MNEs adapting their business strategies to get fashion products into store more quickly by reducing the time between production and distribution (Barnes and Lea-Greenwood, 2010; Cachon and Swinney, 2011). Second, fast fashion MNEs constantly update product ranges throughout the season by means of in-season buying in order to offer trendy, fashionable and affordable products to consumers at any time (Barnes and Lea-Greenwood, 2010; Cachon and Swinney, 2011). In a fast fashion environment, time and cost are key parameters to satisfy customer demand (Bruce and Daly, 2006). Therefore, to satisfy these constraints, fast fashion MNEs offshore their productions to many suppliers (Doyle et al., 2006). Different suppliers serve different purposes, as explained by Bruce and Daly (2006, p.332): “a company will have a variety of relationships ranging from close partnerships with key suppliers to develop products, through to distant relationships for a one-off purchase and an emphasis on getting the lowest price”. To ensure the flexibility of their supply chains, fast fashion MNEs often adopt an off-shore/local sourcing mix strategy (Bruce and Daly, 2006). Local suppliers reduce the time needed for production and delivery and off-shore-suppliers reduce the costs (Bruce and Daly, 2006). Brands such as H&M and ZARA have developed successful fast fashion strategies by offering constantly refreshed and affordable fashion products (Christopher et al., 2004).

However, these evolutions impacting the operations of fast fashion MNEs have positive and negative impacts on developing countries. On the one hand, developing country economies benefit a great deal from the garment industry trading activities: the economic growth is boosted by the orders received by factories and a significant number of locals are provided with employment opportunities. The garment industry also offers opportunities to developed and developing economies to enter the global markets. (Gereffi, 1999; Soundararajan and Brown, 2016). However, the garment industry has been recognized to have questionable labour practices. Poor working conditions, child labour, health and safety hazards, factory fires and building collapse incidents are characteristic of the garment industry. (Clarke and Boersma, 2010; Lu, 2013; Soundararajan and Brown, 2016). Global competition compels fast fashion MNEs to minimize their production and distribution costs. Fast fashion MNEs are often accused of exploiting weak social standards in developing countries, damaging the social environment

to fulfil their quest for profit maximization (Arrigo, 2013). Economic and social performances of MNEs are subject to much public scrutiny from stakeholders but it is also the case for their suppliers' performances (Vachon and Klassen, 2006).

In the early 1990s, fast fashion MNEs came under public scrutiny for their irresponsible sourcing practices, after revelations that their supplier's workers in developing countries were working under exploitative conditions (Lund-Thomsen and Lindgreen, 2014). And although since then the social conditions in the garment industry has been subject to much public attention (Maccarthy and Jayarathne, 2012), the recent deadly incidents, mentioned in the introduction chapter, have once again drawn global attention to the necessity of improving working conditions and more broadly the social standards in developing country factories (Anisul Huq et al., 2014). Failures to improve social conditions in global supply chains have resulted in a series of deadly factory fires and building collapses in Pakistan and Bangladesh in a span of just two years (Anisul Huq et al., 2014). The next section summarizes the macro-economic drivers explaining the emergence of offshoring practices as a dominant sourcing practice in the garment industry.

2.1.2 Macro-economic drivers shaping offshoring

Two major trends, that are rather recent and concomitant, made MNEs operations evolved into what they are today and encouraged them to offshore their activities. These trends also partly explain why irresponsible practices still exist and why working conditions in supply chains have not drastically improved.

The first trend that recently shaped MNEs is: globalization. In recent years, globalization has increased the speed of firms' internationalization. As defined by Sideri (1997, p.38), globalisation is: "essentially a process driven by economic forces. Its immediate causes are: the spatial reorganisation of production, international trade and the integration of financial markets". Profit maximization and cost leadership strategies have driven the garment industry and MNEs to search for cheaper manufacturing sites located in developing countries to offshore their activities (Cheung et al., 2009; Reuter et al., 2010) causing a spatial reorganisation of the global production. One factor explaining the spatial shift of the global garment production is institutional misalignment (Witt and Lewin, 2007). As explained by Witt and Lewin (2007, p.583) institutional misalignment refers to a situation where: "institutions are not aligned with the business requirements of firms, economic advantage may shrink or disappear, or even become an economic liability" (institutions and the institutional theory are further developed

and defined in section 2.2). Fast fashion MNEs face institutional misalignment because developed countries have established stringent labour regulations policies while most of developing countries often have lax social regulations. It became impossible for MNEs located in developed economies to compete with firms in developing countries. To counter the negative effect related to the institutional misalignment (Witt and Lewin, 2007) and to avoid stringent regulations, developed countries MNEs started to offshore their production to suppliers established in developing countries to reduce cost. Cost reductions were made possible because of existing differences on labour regulations between developed and developing countries (Kedia and Mukherjee, 2009).

The second trend that shaped MNEs and particularly their structure and network is the shift in competition. Global competition shifted from “firm versus firm” to “supply chain versus supply chain” (Christopher, 2005; Gold et al., 2010 Soler et al., 2010), pushing MNEs to offshore their activities. It is not beneficial for MNEs to keep all operations in-house because some activities do not create enough value while being extensively costly. Globalization and the shift in the structure of the market competition (from firm competition to supply chain competition) transformed MNEs operations: offshoring emerged as an effective practice (Kedia and Mukherjee, 2009). To survive, firms were forced to spread their operations over external partners and over foreign markets (Contractor et al., 2010). It was not surprising to witness formerly producing corporations becoming brand manager firms (Moosmayer and Davis, 2014). These evolutions made production processes less transparent and production intermediaries less visible for stakeholders. Offshoring helped MNEs to be more competitive and to make bigger profits but it is argued that it was at the expense of the workforce and of the environment. In order to understand offshoring, the next section discusses the implications and advantages of offshoring by means of an international business framework: the OLI framework.

2.1.3 Understanding offshoring

The eclectic paradigm also referred to as the OLI framework developed by Dunning (1980) is a framework explaining firms’ rationale for internationalizing their activities or MNEs’ rationale for adopting some international strategies instead of others. The OLI framework developed by Dunning (1980) was originally meant to explain foreign direct investment decision by MNEs. OLI stands for Ownership, Location and Internalization and the framework proposes that MNEs decide to internationalize their operations based on these three variables. Ownership, location and internalization are three potential sources of advantage when operating abroad. The framework suggest that firm investment locations and entry modes are influenced

by these advantages. The ownership advantage refers to firm-specific competitive advantage to overcome the costs of foreign operations when pursuing foreign direct investment (FDI). The location advantage refers to the advantage of undertaking value adding activities in cities, regions, countries that are more attractive. And the internalization advantage refers to the creation and exploitation of unique capabilities/competencies and therefore its ability to reduce transaction costs. Differently said, ownership addresses the question why some firms internationalize their activities and become MNEs but not others; location addresses the question where MNEs internationalize their activities and internalization addresses the question what MNEs' activities are internationalized. (Dunning, 1980, 1981). Dunning's framework (1980) highlight the advantages that are specific to each form of market entry as shown in Figure 1. The FDI is the only form of market entry that provides the three types of advantages (see Figure 1).

		Type of advantage		
		Ownership	Location	Internalization
Form of market entry	Licencing	YES	NO	NO
	Export	YES	NO	YES
	FDI	YES	YES	YES

Figure 1. The OLI framework (Dunning, 1980)

In the light of the OLI framework, offshoring practices confirm and challenge the eclectic paradigm (Doh, 2005). Doh (2005) argues that location advantages through cost-minimization strategies are believed to be the main motivation for offshoring practices. Additionally, an empirical study on US apparel producers found that offshoring the production to Asian countries rather than producing in the US could increase cost savings up to 26% but inducing substantial lead time (Kumar and Samad Arbi, 2007). Although offshoring is relevant for location advantages, the link is less evident for ownership and internalization advantages. Doh (2005) argue that the division and dissemination of production processes along different supply

chain tier may erode MNEs' ownership and internalization advantages. However, Doh (2005) also highlights that offshoring production processes may be beneficial for MNEs operating in industries in which production does not provide distinct competencies. In the garment industry, building distinct competencies from the competitors depends more on product design and marketing capabilities than on mastering production processes. MNEs in the fast fashion industry offshore activities that are not bringing the essential value to the product. On the other hand, MNEs strengthen their expertise on activities they believe creates the most value for their product such as clothing design and marketing. Building a flexible and competitive supply chains has become key to running fruitful operations worldwide (Kedia and Mukherjee, 2009).

Building from Doh (2005), Contractor et al. (2010) regard the OLI framework as ill-equipped to capture the strategic thinking behind offshoring decisions. According to Contractor et al. (2010) MNE activities offshored to foreign subsidiaries are a subset of FDI but MNE activities offshored to arm's length suppliers are not included in the traditional theorization of FDI. Contractor et al. (2010, p.1418) argue that offshoring: "in a fuller sense, is the building of a global network whose strategic objectives go well beyond serving a local market, to a focus on global network efficiency and coherence". Therefore, offshoring goes beyond the conventional and widespread conceptualization of FDI and beyond the development of country-specific advantages (Contractor et al., 2010).

Taking account of Doh (2005) argument that the ownership and internalization advantages are less relevant to explain offshoring, Kedia and Mukherjee (2009) have adapted the OLI framework to provide a better understanding of why MNEs offshore their activities and a better understanding of the implications of offshoring. The OLI framework, proposes that internalization advantages can be gained from competitors by internalizing competencies/activities/processes that are crucial for value creation or by developing in-house expertise. However, Kedia and Mukherjee (2009) argue that offshoring practices are developed and implemented when there are advantages to be gained from competitors by disintegrating some processes into parts and by externalizing the parts that are not relevant for the core business or that are not essential for value creation. The macro-economic evolutions presented in the previous section characterizing the international business environment and impacting MNEs' operations explain and justify the diminishing relevance of internalization advantages (Kedia and Mukherjee, 2009).

Therefore, to analyse and explain MNEs' offshoring practices, Kedia and Mukherjee (2009) building from Dunning (1980) have developed the DLE framework. DLE stands for Disintegration, Location and Externalization. Disintegration advantages refer to the advantages to be gained from decoupling value chain activities, dividing processes into smaller parts. As in the OLI framework (Dunning, 1980), location advantages refer to the advantages of undertaking value adding activities in cities, regions, countries that are more attractive. And externalization advantages refer to the advantages gained from externalizing parts of the value chain activities to foreign suppliers/contractors. In order to understand differences in the sourcing practices of MNEs, Kedia and Mukherjee (2009) have developed a matrix categorizing sourcing practices depending on the disintegration advantages, location advantages and externalization advantages. Figure 2 is a graphical presentation of that matrix and related sourcing practices.

		Type of advantage		
		Disintegration	Location	Externalization
Sourcing practices	In-house development	LOW	LOW	LOW
	Domestic outsourcing	HIGH	LOW	HIGH
	Captive offshoring	LOW	HIGH	LOW
	Offshore outsourcing	HIGH	HIGH	HIGH

Figure 2. DLE framework related sourcing practices (adapted from Kedia and Mukherjee, 2009)

As shown in Figure 2, four different outsourcing models have been identified: Domestic outsourcing, offshore-outsourcing, captive offshoring and in-house development. (Kedia and Mukherjee, 2009). However, in-house development refers to a situation in which disintegration advantages, location advantages and externalization advantages are low and therefore suggesting internalization advantages derived from the repatriation of value chain activities or development of in house expertise. Low disintegration advantages, low location advantages and low externalization characterizes the traditional internalization advantages proposed by Dunning (1980) in its OLI framework. The DLE framework (Kedia and Mukherjee, 2009) and the OLI framework (Dunning, 1980) are complementary. The prevalence of one framework over the other is dependent upon macro-economic factors that are subject to change in the future and consequently impacting MNEs operations.

Fast fashion MNEs have developed offshore-outsourcing practices (referred to as offshoring in the current study). Offshore-outsourcing is characterized by high disintegration advantages to meet customer demands and to remain competitive. The location advantages stem from the low labour costs in developing countries. The externalization advantages stem from the costs savings obtained by offshoring the production to foreign suppliers/contractors rather than offshoring it a subsidiary of the MNE (captive offshoring). (Kedia and Mukherjee, 2009). Fast fashion MNEs, through the adoption of an off-shore/local sourcing mix strategy (Bruce and Daly, 2006) reduce production costs but increase lead time substantially (Kumar and Samad Arbi, 2007) by offshoring part of their garment production to off-shore suppliers in developing countries. The OLI and DLE frameworks will be further used to discuss the implications of the findings for offshoring and related advantages in relation to other offshoring/outsourcing practices available to MNEs (see section 5.4 of the discussion chapter).

2.2 Corporate social responsibility

The CSR definition selected for the current study argue that MNEs should be responsible and liable beyond legal compliance and that MNEs have a responsibility for their suppliers' behaviour (Blowfield and Frynas, 2005). The first section discusses whether MNEs should be held responsible and liable beyond legal compliance and if they should be held responsible for their suppliers' behaviours. Afterwards, the chapter goes on by addressing MNEs motivations to develop CSR practices and covers the governance of global value chains to address MNEs response to pressures for implementing CSR practices within supply chains. Finally, the last section of the chapter argues that instead of focusing on motivations for implementing CSR practices, the efforts should be on motivations to eliminate CSI practices.

2.2.1 Responsibilities in global supply chains

The expansion of global supply chains generates questions about the scope of MNEs liability (Van Tulder et al, 2009). The numerous supplier irresponsible behaviour cases unveiled by the media draw public attention on responsibilities between supply chains actors. Blowfield and Frynas (2005, p.503) argue that: “companies have a responsibility for the behaviour of others with whom they do business (e.g., within supply chains)”. Considering Blowfield and Frynas' definition (2005) of CSR, MNEs and in this case fast fashion MNEs should be held responsible not only for their operations in their home country but also for the activities of their global suppliers even if they are not linked together through shared ownership. (Andersen and Skjoett-Larsen 2009; Maloni and Brown 2006, Soundararajan and Brown, 2016). After acknowledging the need of CSR in supply chains, researchers have moved on to understanding its challenges (Soundararajan and Brown, 2016). The notion of responsibilities in supply chains has been covered in some research under various terms including: corporate social responsibility in global supply chains (Amaeshi et al. 2008; Andersen and Skjoett-Larsen 2009, chain liability in multi-tier supply chain (Hartmann and Moeller, 2014), sustainable supply chain management (Seuring and Müller, 2008).

However, there are arguments for and against MNEs accountability for supplier's irresponsible behaviour. Scholars have diverging opinions and point of views about the scope of MNEs responsibilities in supply chains (Amaeshi et al., 2008; Andersen and Skjoett-Larsen, 2009). Andersen and Skjoett-Larsen (2009, p.77) argue that commitment to CSR in supply chains implies that MNEs “are also held responsible for environmental and labour practices of their global trading partners such as suppliers, third party logistics providers, and intermediaries over

which they have no ownership”. For Amaeshi et al. (2008, p223), the concept of CSR created “a taken-for-granted assumption that firms should be accountable for the practices of their suppliers by espousing the moral (and sometimes legal) underpinnings of the concept of responsibility”. They argue that the only reason pushing pressure groups to target MNEs’ suppliers is because they have difficulties to target global brands directly. And that the pressure groups’ attacks have affected global brands’ reputation irrespective of the fact that it was the suppliers that were guilty of irresponsible practices (Amaeshi et al., 2008). For Amaeshi et al. (2008), MNEs should not bear responsibilities that are beyond their juridical walls. They argue that corporations are independent legal entities and that participating in a supply chain with other firms or having contractual relationships with suppliers does not extend the legal responsibilities of MNEs to the actions of their suppliers (Amaeshi et al., 2008). Additionally, around the globe, most legal systems define corporations as legal entities and it implies that corporations are legally independent from their employees, shareholders or suppliers (Amaeshi et al., 2008).

According to Amaeshi et al. (2008), supply chains should not be viewed as an extension of the firm unless the firm and its supplier are linked through shared ownership. In this case, the supplier is de facto an extension of the firm. Because the firm has the legal power to influence the supplier’ decision and actions (Amaeshi et al., 2008). However, MNEs control over suppliers is not limited to situation of ownership. Indeed, it is argued that MNEs can control supplier’s operations over large distances without exercising ownership (Jenkins, 2001) and have sufficient power to control the supplier’s social practices (Ulstrup et al., 2013). MNEs are powerful actors in supply chains because of their market-power and their control over critical resources (Gereffi, 1994). According to Jenkins (2001, p.iii): “the growth of ‘global value chains’, through which Northern buyers control a web of suppliers in the South, has led to calls for them to take responsibility not only for aspects such as quality and delivery dates, but also for working conditions and environmental impacts”. Pedersen and Andersen (2006) nuance Jenkin’s argument and argue that the controllability of buyers on their suppliers depends on the bargaining power of the buyer on the suppliers and they do not exclude the possibility of a buyer having a weak bargaining power.

One factor that should also be considered when discussing supplier controllability is geographical distance. Geographical distance influences the power buyers have over their suppliers (Elg and Hultman, 2011), the greater the distance, the more difficult it is for MNEs to control suppliers’ activities and practices (Ulstrup et al., 2013). And geographical distance is

negatively related to the adoption of responsible practices by suppliers (Awaysheh and Klassen, 2010). On the one hand scholars consider that the power asymmetry between MNEs and suppliers is the cause of irresponsible business practices at supplier level. In this case, MNEs are powerful corporations driving supply chains and imposing their price and their requirements on suppliers. To survive to competitors and to fulfil MNEs orders, suppliers engage in unethical and irresponsible business practices. On the other hand, some scholars consider that the power asymmetry is a condition for suppliers to comply with responsible business practices (Locke et al, 2009) established by the buyer through, for example, codes of conduct. In this case, MNEs power drives suppliers to adopt responsible practices. It is argued that MNEs power over suppliers can induce a multiplier effect and incite sub-suppliers to adopt responsible practices (Preuss, 2001).

Because irresponsible behaviour and poor working conditions in global supply chains remain a contemporary issue especially in developing countries (Soundararajan and Brown, 2016) where fast fashion MNEs offshore their production and because of the weak regulatory bodies in developing countries to ensure suppliers responsible behaviours, the present study considers that MNEs should be held responsible and liable beyond legal compliance and that MNEs are responsible for their suppliers' behaviours.

2.2.2 MNE adoption of CSR

It is argued that corporations will not address CSR issues voluntarily and that only coercive forces will drive organisations to adopt CSR principles and develop CSR practices. In this case, regulators, stakeholders and industry bodies are expected to enforce the adoption of CSR (Escobar and Vredenburg, 2011). On the other hand, scholars consider that organizations will voluntarily commit to CSR principles and implement CSR practices because there are potential economic benefits to be gained. In this case, corporations commit themselves to CSR because they perceive its financial added value. The implementation of CSR practices is believed to lead to better financial performances through, for example, the development of CSR related competitive advantages (Escobar and Vredenburg, 2011).

Rugman and Verbeke (1998) have developed a compliance behaviour typology explaining under what circumstances MNEs comply with CSR policies. MNEs compliance behaviour depends on the net economic benefits of compliance which are the expected benefits caused by complying with the policy (Rugman and Verbeke, 1998). Net economic benefits of compliance range from high to low and are either driven by a contribution to industrial performance (e.g.,

profitability, growth, etc.) or by an administrative enforcement (e.g., sanctions). Rugman and Verbeke (1998) suggest that if the net economic benefits of compliance are high, then two types of compliance might occur. Compliance can be performance-driven which suggest that MNEs accept to comply with the policy because they believe it will enhance the industrial performance through growth, market-share or profitability. And compliance can be enforcement-driven. In this case MNEs comply with the policy because they fear the impact costly sanctions of non-compliance could have on their performances. When sanctions are great, complying with the policy is considered as providing high net benefits of compliance (Rugman and Verbeke, 1998). However, if the only driver for MNE compliance is improved industrial performances and the net economic benefits of compliance are low, compliance is then compromised. But low net economic benefits of compliance combined with administrative enforcement does not necessarily lead to a situation of non-compliance: the conditional non-compliance describes a situation in which the net economic benefits of compliance are low and the administration cares to implement sustainable policies but lack resources to enforce them (Rugman and Verbeke, 1998).

The argument of Rugman and Verbeke (1998) for MNEs compliance to CSR and MNEs implementation of related CSR initiatives lies on the assumption that improved corporate social performances lead to improved corporate financial performances and on the assumption that regulatory bodies are successful in drafting and enforcing policies and sanctions. However, this paper has already argued that the research on the nature of the relationship between sustainability performances and financial performances have been inconclusive (McWilliams and Siegel, 2001) and that MNEs do not fear to be liable and do not fear penalties for irresponsible supply chain practices because of the absence of an international framework for global justice in supply chains (Soundararajan and Brown, 2016) and the weak regulatory frameworks of developing countries (Djankov and Ramalho, 2009). These elements explain why MNEs have no financial incentive to develop CSR initiatives and why working conditions improvements have been limited.

Researchers have therefore turned to the institutional theory of organizations to understand the spread, the selection and adoption of CSR strategies and practices among MNEs (Escobar and Vredenburg, 2011). It is argued that sustainability, as a business model, never was dominant nor vanishing (Escobar and Vredenburg, 2011). The institutional theory describes processes which are useful to explain why organisations operating in the same environment are likely to adopt similar structures and practices. It is argued that organizations experiencing similar

institutional pressures to conform will develop similar structures and practices (DiMaggio and Powell, 1983). DiMaggio and Powell (1983, p.150) argue that “organizations compete not just for resources and customers, but for political power and institutional legitimacy, for social as well as economic fitness”. Organizational legitimacy is a central concept of institutional theory (DiMaggio and Powell, 1983). Legitimacy can be defined as: “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995, p.574). Organizations gain legitimacy when stakeholders consider that the organization’s operations or goals meet their expectations (Suchman, 1995). Organization theorists have been particularly interested in isomorphic processes and their research have, for example, examined how subsidiaries acquired legitimacy in the eyes of their parent MNE and host country (Kostova and Zaheer, 1999; Cantwell et al., 2010).

Institutions can be divided into two groups: formal (e.g., governments, regulatory bodies) and informal (e.g., consumers, NGOs, firms, medias, norms, values) (Connelly and al., 2013). But institutions can also be understood as constraints (North, 1994). There are formal constraints (e.g. rules, laws, constitutions) and informal constraints (e.g., norms of behaviour, conventions, self-imposed codes of conduct) (North, 1994). The institutional theory of organizations regroups three isomorphic processes, namely coercive, normative and mimetic, which tend to explain organizational changes and why organizations facing identical pressures are similar and/or adopt similar strategies (DiMaggio and Powell, 1983). Coercive isomorphism occurs when governments or regulatory bodies pressure MNEs to conform to new regulations or legislations, notably through enforcement mechanisms and fines. Normative isomorphism refers to self-regulation. It occurs when an industry pressures its members to conform to new standards or conventions. And finally, mimetic isomorphism happens when organizations identify and replicate successful business models or strategies developed by other organizations (Di Maggio and Powell, 1983).

Escobar and Vredenburg (2011) apply the institutional theory to explain the institutional pressures for CSR faced by MNEs and why CSR practices are sporadically implemented. Coercive isomorphism processes predict that organisations facing similar pressures from regulators through the legislation would adopt similar practices. It suggests that international regulations would force MNEs to implement CSR practices across the globe because they fear to be penalize if they do not respect the regulations. However, in practice the theory does not seem to work. Indeed, international regulations lack international enforcement mechanisms and

clear agendas and rely extensively on national regulators to implement and enforce them (Rugman and Verbeke, 1998b; Escobar and Vredenburg, 2011). The adoption of CSR by MNEs because of coercive isomorphism lacks empirical support (Escobar and Vredenburg, 2011). Normative isomorphism processes suggest that an industry will regulate itself through collective agreements on production standards. For CSR, it implies that if an industry regulates itself with CSR standards and that related CSR practices will be implemented within MNEs that belong to that industry. Industry self-regulation can prevent the emergence of more stringent regulations from coercive forces (Escobar and Vredenburg, 2011). In practice, the impact of normative isomorphism processes on the implementation of sustainable development seems limited. Indeed, the lack of a worldwide accepted CSR definition, the existence of numerous complex national context and the absence of explicit sanctions characterizing industry self-regulations limit the implementation of CSR practices induced by normative isomorphism (Escobar and Vredenburg, 2011). Due to the lack of international enforcement mechanism, the presumed influence of industry pressures is dependent on and mediated by national stakeholders' pressure level (Escobar and Vredenburg, 2011). Mimetic isomorphism processes suggest that successful business strategies will be replicated by organisations if they are successful. Successful CSR practices would therefore be replicated if it is believed that they lead to improved financial performances and if they reduce the uncertainty and complexity related to CSR pressures (Escobar and Vredenburg, 2011). According to Escobar and Vredenburg (2011) mimetic isomorphism is the most likely type of isomorphism to occur and therefore to lead to sustainable practices development and implementation. Nevertheless, mimetic processes are slow and rare because the resources needed to achieve them are complex and intangible.

However, Clarke and Boersma (2015) argue that the institutions are inefficient when it comes to the governance of global value chains and refer to an institutional failure. According to Clarke and Boersma (2015, p.1): "this institutional failure is reflected in the lack of collective bargaining rights, the weaknesses of international employment framework principles in practice, the lack of traction of social movements except in extreme situations and the failure of states to remedy known problems with governments committed to investments and economic growth at all costs". The institutional inefficiency could be explained by the institutional distance, which is for MNEs the differences between institutions from their home and host countries (Connelly et al., 2013). In addition, gaining legitimacy is costly. In a context of profit maximization and absence of stakeholder pressure, MNEs would not be prone to meet or exceed

stakeholders' expectations (Campbell, 2007). The next section covers the governance of global value chains to address MNEs response to pressures for implementing CSR practices within supply chains.

2.2.3 Global supply chain governance

The management of complex CSR issues in global supply chains has become an important area of research (Soundararajan and Brown, 2016). Since the mid-1990s, various topics have been covered, including the adoption of socially sustainable practices by developing country suppliers (Anisul Huq et al., 2010), the characteristics of supply chain governance (Lund-Thomsen and Lindgreen 2014), voluntary governance mechanisms in global supply chains (Soundararajan and Brown, 2016), achieving sustainability in multi-tiers supply chains (Mena et al., 2013; Tachizawa and Wong, 2014; Wilhelm et al., 2016), chain liability in multi-tier supply chains (Hartmann and Moeller, 2014).

In the literature, there is a consensus on the idea that MNEs should monitor the operations and sustainable performances of their suppliers (Carter and Jennings, 2002). To do that MNEs govern the supply chain. Supply chain governance refers to, “the mechanisms with which some firms in the chain set and/or enforce the parameters under which others in the chain operate” (Humphrey and Schmitz 2001, p. 20). Fast fashion MNEs control and influence the sustainable performances of their suppliers with voluntary governance mechanisms. Voluntary governance mechanisms have emerged as the primary instrument by which fast fashion MNEs address their suppliers' social responsibility because of the absence of an international framework for global justice in supply chains (Soundararajan and Brown, 2016) and the weak regulatory frameworks of developing countries (Djankov and Ramalho, 2009). Voluntary governance mechanisms are: “complex, multi-stakeholder mechanisms used to govern aspects of a firm's social and environmental responsibilities, especially in global supply chains” (Soundararajan and Brown, 2016, p.84). Voluntary governance mechanisms are MNEs response to increasing stakeholder pressures for improved social conditions (Jiang, 2009, Soundararajan and Brown, 2016). In this case, MNEs motivation to address supply chain CSR issues and supplier irresponsible behaviour is to channel increasing stakeholder pressures. Voluntary governance includes mechanisms like supplier development and trainings, codes of conduct, third-party certification (Christmann and Taylor, 2006; Jiang, 2009).

In order to improve their suppliers' CSR performances and particularly their working conditions, MNEs can develop, educate and train their suppliers (Pagell and Wu, 2009). By

developing their first-tier suppliers, MNEs efforts have a rippling effect over lower-tier suppliers: suppliers educate each other and cascade down the knowledge (Rao and Holt, 2005). Internal supply chain collaboration can improve the CSR performance of suppliers and encourage them to adopt more responsible behaviour. Supplier development by MNEs can occur through: dialogues with suppliers, joint development of new products and processes, awareness raising for sustainability aspects, and ensuring supplier continuity (Pagell and Wu, 2009; Harms et al., 2013). To measure the results of the trainings and investments on the sustainable performances of their suppliers, MNEs have put in place supplier evaluations. The evaluation may be accompanied by incentives or sanction (Harms et al., 2013). Poor evaluation may entail contract termination for the supplier in question. However, switching from a supplier to another implies costs and companies may prefer continuing to develop suppliers that performed poorly at the evaluation (Harms et al., 2013). However, collaborative supply chains remain limited in practice. There are benefits resulting from the collaboration but there are also some drawbacks. MNEs fear that if they invest in suppliers it might as well benefit other MNEs sourcing from those suppliers (Harms et al., 2013). Another reason restraining MNEs from developing their suppliers is the investment could turn into a sunk cost if the sourcing contract is terminated (Pagell and Wu; 2009).

Codes of conduct are a form of private regulations established between two companies. Codes of conduct are usually used by MNEs to express their expectations and requirements in terms of sustainability to suppliers. They were first developed by MNEs to fill the institutional voids when sourcing from suppliers in developing countries (Pinkse and Kolk, 2012; Clarke and Boersma, 2015). Codes of conduct “stipulate, among other operations issues, that working conditions are safe and hygienic, child labour is not used, working hours are not excessive, and workers are paid living wages” (Jiang, 2009, p.77). Codes of conduct can be accompanied by control mechanisms to ensure suppliers commitment and compliance (Jiang, 2009). Codes of conduct have the potential to improve the sustainable performances of supply chains (Clarke and Boersma, 2015) and have been widely implemented by MNEs to push their suppliers to adopt sustainable management practices (Andersen and Skjoett-Larsen, 2009). However, the success of the codes of conduct is questioned. First, it is difficult to ensure suppliers commitment to the codes (Clarke and Boersma, 2015). Second, Pinkse and Kolk (2009) argue that codes of conduct lack monitoring and enforcement mechanisms. Third, codes of conduct are often established by Western MNEs and imposed on suppliers in developing countries

making them passive players (Jiang, 2009). And finally, the codes are not delivering large scale and sustained working condition improvements (Locke et al., 2007).

MNEs can also encourage their suppliers to be more sustainable and to adopt more responsible behaviour through third-party certification. Third-party certification refers to standards firms must comply with to be certified. For example, ISO26000 sets standards for corporate social responsibility. There also exists a certification for social accountability, the SA8000. A firm complying with ISO standards can be certified by the Organization for International Standardization (ISO). Third-party certification can be understood as a “governance mechanism for firm self-regulation of corporate social responsibility” (Christmann and Taylor, 2006). Although promising, third-party certification effectiveness has not been demonstrated yet (Christmann and Taylor, 2006). It is because “weak third-party monitoring allows firms to obtain certification without continuously complying with standard requirements” (Christmann and Taylor, 2006, p.873). Firms use certification as a symbol to demonstrate to customers that they are making progress on sustainable issues (Christmann and Taylor, 2006) without addressing them.

Locke et al. (2009) argue that fast fashion MNEs have sufficient power over their dependent suppliers to force them to adopt their sustainability standards and therefore to comply with their standards for working conditions. Global retail brands can influence their first-tier suppliers with whom they have direct relationships but also their second-tier suppliers with whom they have indirect relationships (Wu et al., 2010). Tachizawa and Wong (2014, p.651) explains this approach: “contact with lower-tier suppliers is performed indirectly through another supplier. For example, lead firms use their power over first-tier suppliers to make them monitor or collaborate with lower-tier suppliers”. To force lower-tier suppliers to adopt improved working conditions standards, fast fashion MNEs can use their power to pressure their first-tier suppliers (Tachizawa and Wong, 2014). In multi-tier supply chain, first-tier suppliers act as a bridge between the sourcing company and the upstream suppliers in propagating CSR standards and practices (Grimm et al., 2014). The selection of first-tier suppliers is critical for buying companies because first-tier suppliers may take decisions that will deteriorate the social performances of the whole supply chain (Wilhelm et al., 2016). Contrarily to Locke et al. (2009), Soundararajan and Brown (2016) argue that in the garment industry, buying MNEs’ power is diluted as the number of tier/intermediaries in the supply chain increases.

Additionally, the lack of convincing working condition improvements in global supply chains resulting from voluntary governance mechanisms might be explained by the MNE rationale behind voluntary governance mechanisms implementation. Indeed, voluntary governance mechanisms are used by fast fashion MNEs as means of control over suppliers in developing countries rather than a means to solve social issues (Soundararajan and Brown, 2016). Several studies are questioning the efficacy of voluntary governance mechanisms to replace dysfunctional institutional regulatory frameworks in developing countries because of the gap between its objectives to implement improved working condition and its results in practice (Fulponi 2006; Lund-Thomsen and Nadvi 2010). The weakness of voluntary governance mechanisms happens to be its voluntary nature: they are not legally binding (Soundararajan and Brown, 2016). Soundararajan and Brown (2016, p.90) argue that: “the measurement and reward systems for volunteer mechanisms across global supply chains are also difficult to track, enforce and administer”. In addition, the understanding on how global supply chains function and operate in the global economy is lacking (Andersen and Skjoett-Larsen, 2009) and according to Soundararajan and Brown (2016) this is why despite fast fashion MNEs efforts voluntary governance mechanisms have failed to improve significantly the working conditions in factories of developing country suppliers. MNEs response to pressures for implementing CSR practices within supply chains through voluntary governance mechanisms has not lead to significant working conditions improvement.

2.2.4 Corporate Social Irresponsibility

MNEs struggle to manage social issues in their supply chains (Klassen and Vereecke, 2012). The implementation of improved social standards such as decent working conditions in upstream suppliers is a contemporary challenge (Matos and Hall, 2007). Therefore, it is argued that instead of focusing on CSR practices to improve working conditions in supply chains, the efforts should be on eliminating CSI practices in supply chain and de facto improving working conditions (Campbell, 2007).

The sustainable literature recently evolved to include the concept of corporate social irresponsibility (CSI) (Campbell, 2007; Lange and Washburn, 2012). Recent incidents at supplier facilities in developing countries and poor working conditions in global supply chain highlighted a discrepancy between CSR literature and its application to concrete issues. To understand this misalignment between CSR theory and results in practice, it is argued that the focus should be on the minimum requirements ensuring that organization do not act irresponsibly instead of on requirement to achieve sustainability, (Campbell, 2007). Campbell

(2007) considers that too much importance is given to defining the highest level of CSR and related practices. Campbell (2007) depicts CSR as a continuum ranging from the least socially responsible behaviour to the most socially responsible behaviour. CSR definitions calibrate corporate behaviours and compare them. Campbell (2007) argues that the literature, through various CSR definitions, does not address the minimum end of the continuum. CSR definitions are often oriented towards the maximum end of the continuum by trying to define the best socially responsible behaviour and fail to simply define irresponsible behaviours. The problem of this situation is that firms might score high in CSR depending on the definition used to assess and measure the sustainable performances (Campbell, 2007). To solve this inconsistency, Campbell (2007) proposed a definition of socially responsible behaviour including a threshold under which firms are no longer considered as behaving responsibly.

Campbell (2007) considers that firms are above the threshold, and therefore act responsibly, if: “first, they must not knowingly do anything that could harm their stakeholders - notably, their investors, employees, customers, suppliers, or the local community within which they operate. Second, if corporations do cause harm to their stakeholders, they must then rectify it whenever the harm is discovered and brought to their attention. Rectification could be done voluntarily or in response to some sort of encouragement, such as moral suasion, normative pressure, legal threats, regulatory rulings, court orders, and the like” (Campbell, 2007, p.951). The definition sets the minimal requirements under which corporate behaviour would be considered irresponsible or unsustainable.

While CSR is expected to improve the financial performances of the firm, it is argued that CSI lead to negative consequences for firms, including penalties, compensation payments, customer losses, decreased employee motivation, or reputational damage (Lin-Hi and Müller, 2013). Lin-Hi and Müller (2013, p.1932) wonder “why the discussion of CSR has predominantly focused on doing good, thereby resulting in very little attention having been devoted to avoiding bad.” One reason explaining the predominance of CSR rather than CSI is that avoiding bad is a taken for granted behaviour (Lin-Hi et Müller, 2013). As explained by Davis (1973, p.313): “avoiding bad constitutes actions that any good citizen would do.” Therefore, avoiding irresponsible behaviour is not considered revealing of a firm’s CSR (Lin-Hi and Müller, 2013). However, Lange and Washburn (2012) see no added value of the CSI debate. For them, CSI is only the mirrored image of CSR. Lange and Washburn (2012, p.300) consider that: “irresponsibility, distinct from responsibility, is often not discussed explicitly in the CSR literature, [because] irresponsibility is simply the opposite side of the responsibility coin – that

is the failure to act responsibly”. Strike et al. (2006) reject the idea that CSI is simply the opposite side of CSR. They argue that CSR and CSI are, obviously, related but that the constructs are not reflections of each other (Strike et al., 2006). For example, there is a positive relationship between a firm’s business complexity and the occurrence of CSI (Strike et al., 2006). The more complex MNEs operations, the more likely is the occurrence of CSI. However, firms remain responsible to prevent CSI from occurring (Lin-Hi and Müller, 2013)

In their 2006 study, Strike et al. (2006) suggested that firms could be characterised by dual behaviours: being socially responsible and socially irresponsible at the same time. Their study unveiled strong evidences for the decomposition of corporate social responsibility into positive (CSR) and negative components (CSI). Strike et al. (2006) developed their own definition of CSI using the CSR definition of Bateman and Snell (2002). They defined CSI as: “the set of corporate actions that negatively affects an identifiable social stakeholder’s legitimate claims (in the long run)” (Strike et al., 2006, p.852). Acknowledging the coexistence of socially responsible and irresponsible behaviours is essential for a better understanding of CSR because it influences stakeholders’ perceptions of an MNE’s responsibilities which in turn impacts stakeholders’ attitudes toward that MNE (Lange and Washburn, 2012; Lin-Hi and Muller, 2013). The current study focuses on CSI rather than CSR because consumers are more exposed to negative CSR through media (Wagner et al., 2008) and because they have stronger reactions when confronted with negative CSR than with positive CSR information (Sen and Bhattacharya, 2001).

This master’s thesis assumes that there is a negative relationship between CSI in supply chain and MNE sales performances (Lund-Thomsen and Lindgreen, 2014). Unlike the business case for CSR, it is believed that firms will be willing to eliminate corporate social irresponsible practices and make their operations more responsible because otherwise it deteriorates their financial performances. Finding out how does supplier corporate social irresponsibility impact MNEs sales performances could be an incentive for MNEs to improve working conditions in supply chains.

MNEs performances and especially sales performances depend on consumers (Grappi et al., 2013b). It is therefore crucial to understand how customers react to irresponsible behaviour in the supply chain and how it impacts fast fashion MNEs. CSR research have tried to demonstrate whether consumers would reward companies seen as ethical or whether consumers would punish companies considered as unethical (Trudel and Cotte, 2009). Trudel and Cotte (2009)

found that consumers are ready to pay a premium and that they will punish companies seen as unethical by requesting lower prices and that consumers are requesting a bigger price reduction for unethical products than the premium they are willing to pay for ethical products. Trudel and Cotte (2009, p.61) conclude that: “the negative effect of unethical behaviour has a substantially greater impact on consumer willingness to pay than the positive effects of ethical behaviour”. However, previous research on consumer behaviour regarding ethical consumption shows that consumers are not necessarily responsive to the moral behaviours of MNEs (Pinkse and Kolk, 2012, p.338). Other research has concluded that consumers are unwilling to pay substantially more for sustainable products (Wolf, 2011). Additionally, consumer behaviours are characterized by an attitude-behaviour gap phenomenon (Vermeir and Verbeke, 2006). The attitude-behaviour gap describes situation where consumers condemn the unsustainable behaviour of a company but fail to translate it into shopping behaviour and continue to buy from that company (Vermeir and Verbeke, 2006).

2.3 Research model

Understanding consumers' responsibility attributions, the emotion they experienced and the behaviour that results from it in the event of supply chain incidents could help finding out how does supplier corporate social irresponsibility impact MNEs sales performances and could be a financial incentive for MNEs to improve working conditions in supply chains and eliminate irresponsible practices. Consumers pressures and related negative consequences for MNEs' sales performances could force MNEs to address supplier irresponsible behaviour more effectively, to take wiser management decision and to adopt responsible supply chain practices. Thanks to their purchase behaviour consumers have a direct impact on MNEs financial performances (Schuler and Cording, 2006).

The term attribution refers to the "consumer's explanations of the firm's behaviours and outcomes in terms of firm and situational characteristics" (Lange and Washburn, 2012, p.302). The term attribution comes from the attribution theory literature. Mizerski (1978, p.220) define attribution theory as: "the processes whereby people make causal explanations about the information they receive. Then, based on the causal attribution chosen, it can be used to predict how those individuals will make inferences about themselves or their environment". The attribution process refers to "the causal reasoning stakeholders engage in when trying to make sense of events or occurrences they encounter, particularly when these events are negative or out of the ordinary (Weiner, 1986)" (Janssen et al., 2015, p.184). Individuals build attributions based on perceptions and not on objective reality (Lange and Washburn, 2012) which implies that attribution is a subjective process. The research model of the current study is built around the responsibility attribution process developed by Weiner (1986, 1995).

The proposed research model studies the relationships between several situational characteristics referred to as causal attribution or dimensions of causal determination (controllability, stability and severity) of the supplier irresponsible behaviour and the consumers' reaction towards fast fashion MNE. Furthermore, it studies the relationship between consumer identification with the fast fashion MNE and perception of the fast fashion MNE (organizational identification and perceived corporate social irresponsibility) towards MNE brands and consumer's reaction towards fast fashion MNE. Consumers' reactions are evaluated through consumers' causal inferences for the supplier's irresponsible behaviour (responsibility attribution), consumers' emotion (anger) and consumers' behaviour (boycott intentions).

In the model, the causal attributions reflect the OSH incident characteristics influencing consumers' causal explanations for the incident. The best-known categorization system of causal dimensions has been developed by Weiner (1980). The causal dimensions identified by Weiner (1980, 1986, 1995) are: controllability, stability, locus of causality and severity. Controllability, refers to the degree of control MNEs have over their supplier irresponsible behaviour and the resulting incident. Stability, refers to the permanence of the irresponsible behaviour. Consumers will ask themselves whether a similar incident will happen in the future and whether the supplier irresponsible behaviour will persist through time. Locus of causality, refers to what caused the incident or the supplier irresponsible behaviour: is the incident caused by the supplier or is it caused by circumstances. The severity dimension refers to the degree of severity of the incident that results from the supplier irresponsible behaviour.

The mechanism of the model is that incident characteristics and consumer identification with the fast fashion MNE and perception of the fast fashion MNE positively or negatively impact (the nature of the impact is discussed in 2.5 Hypothesis) consumer's responsibility attribution. Then, consumer's responsibility attribution positively impacts consumer's anger. And finally, consumer's anger positively impact consumer's boycott intentions.

There are numerous emotions that consumers can experience when confronted to supply chain OSH incidents. The current study acknowledge that different emotions lead to different behavioural responses (Watson and Spence, 2007) and that limiting consumer's emotion to anger limits the consumer's behaviour that will result. However, anger is an emotion that is frequently experienced (Averill, 1982; Robbins, 2000) and Coombs and Holladay (2005) found that anger is one of the most often experienced emotions by stakeholders during a crisis. In the context of unethical corporate conduct, Lindenmeier et al. (2012, p.112) define consumer anger as: "a negative emotional reaction to unethical corporate behaviour, [that] can be classified as a type of moral emotion". According to Meyer and Baker (2010), moral emotions are associated with concerns for well-being. Consumers can be concerned about their own well-being or other's well-being (Lindenmeier et al., 2012). In the context of the current study, the vignette-based experiments (see section 3.1) have been designed to trigger consumer's anger associated with a concern for the well-being of others: the workers of the suppliers.

Anger is an emotion resulting from a negative event and a belief that the negative event could have been prevented by someone else or that the cause of the negative event could have been controlled by someone else (Folkes et al., 1987; Ortony et al., 1988; Nyer, 1997; Ruth et al.,

2002). Moreover, anger has two characteristics that makes it a unique emotional reaction (Funches, 2011). The first characteristic of anger is someone's belief that he/she has been wrongly taken advantage of by someone else (Averill, 1982; Lazarus, 1991). The second characteristics of anger is: "the element of blame" (Funches, 2011, p.421). The element of blame refers to consumers concern about what or who is to be blamed for a negative event (Funches, 2011). The first characteristics of anger has little interest for the current study. However, the second characteristics of anger is essential because it links anger to the attribution theory and to responsibility attribution. Anger is a value judgement about a situation (Weiner, 1995). Weber (2004) argue that higher degree of agent's blame lead to higher degrees of anger and agent's blame is for instance a function of controllability. Agent's blame refers to consumer's responsibility attribution. According to Weiner's (1986, 1995) attribution process, anger is the most likely emotional reaction to be experienced by consumers following responsibility attribution for negative incidents. Furthermore, it is suggested that the intensity of consumers' emotional reaction depends on how they attribute responsibilities (Ortony et al., 1988; Machleit and Mantel, 2001). Differently said, consumers' causal inferences about a negative event influences their anger level.

According to Frijda (1986) and Weiner (1995) anger is a stimulus for further actions by consumers. Furthermore, Anger is a moral emotion and moral emotions tend to provoke pro-social actions among consumers (Haidt, 2003). Pro-social behaviours or actions are behaviours or actions that benefit others without necessarily benefiting the person or group of people at the source of those behaviours or actions (Paulus, 2014). And anger is an emotion that motivates consumers to take actions to change the negative outcome (Lewis, 1993). It implies that consumers might take actions to help the people affected by the negative event. In the context of this research, consumers may take actions against MNEs to benefit the suppliers' workers. Additionally, consumer anger can induce behaviours that are costly to firms in terms of money and that deteriorate the relationship between the consumer and the firm (Huefner and Hunt, 2000). For example, responsibility attribution and anger towards a firm are more likely to incite consumers to switch brands (Folkes et al., 1987). Kalamas et al (2008) found that with increasing anger levels, consumers were more inclined to deliberately worsen the consequences of their actions towards a firm. Previous research studying the relationships between attribution, emotion and behaviour have found that consumers that attribute responsibilities to the firm for a negative event, exhibited higher levels of anger and were more inclined to stop buying products from the firm they blame (Folkes et al., 1987; Diaz et al., 2002; Funches, 2011,

Hartmann and Moeller, 2014). Correspondingly, anger was found to have a negative effect on future purchasing behaviour, increased levels of anger make consumers less likely to repurchase products from the firm (Bougie et al., 2003; Chebat and Slusarczyk, 2005; Kalamas et al., 2008). Furthering the idea that anger motivates consumers' actions and stimulates behaviours, Kozinets and Handelman (1998) argue that anger triggers boycott intentions. The relationships between consumer anger, purchase intentions and boycott intentions have been strongly established in previous studies. Therefore, boycott was selected to be included in the research model as the behavioural reaction to be exhibited by consumers after they experienced anger. In addition, keeping anger as the emotional reaction experienced by consumers and boycott as the behaviour exhibited by consumers as in the original model developed by Hartmann and Moeller (2014), offers opportunities for discussing the results and comparing the two studies (see chapter 5. Discussion). Therefore, anger and boycott were selected as the emotion to be included in the model.

The proposed research model relies extensively on the consumer reaction for unsustainable supplier behaviour model developed by Hartmann and Moeller (2014). The remaining of this section discusses the differences between the model developed by Hartmann and Moeller (2014) (Figure 3) and the model developed in the current study (Figure 4). As shown in Figure 4, the major difference between the model developed by Hartmann and Moeller (2014) and the model developed in the current study is that it was decided to include consumer identification with the fast fashion MNE and perception of the fast fashion MNE as potentially important factors in determining responsibility attribution levels. Consumer identification with the fast fashion MNE and perception of the fast fashion MNE is tested by measuring their organizational identification with the brand and their perception of corporate social irresponsibility of the MNE. The decision to include these two elements characterising consumer relationship with the fast fashion MNE emanates from a theoretical research paper on consumer attribution of corporate social irresponsibility by Lange and Washburn (2012).

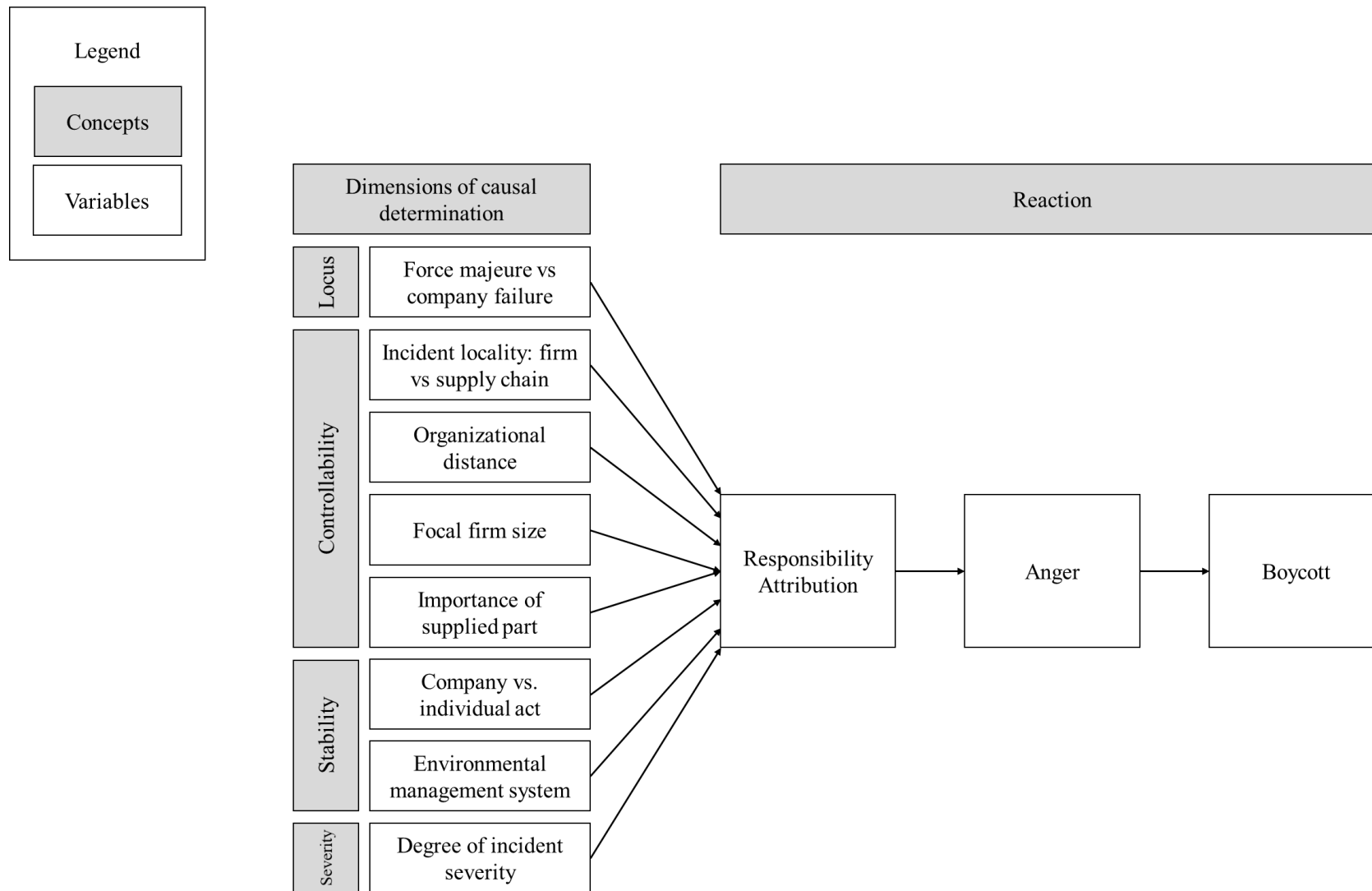


Figure 3. Hartmann and Moeller's model (2014) for consumer reaction for unsustainable supplier behaviour resulting in environmental incident

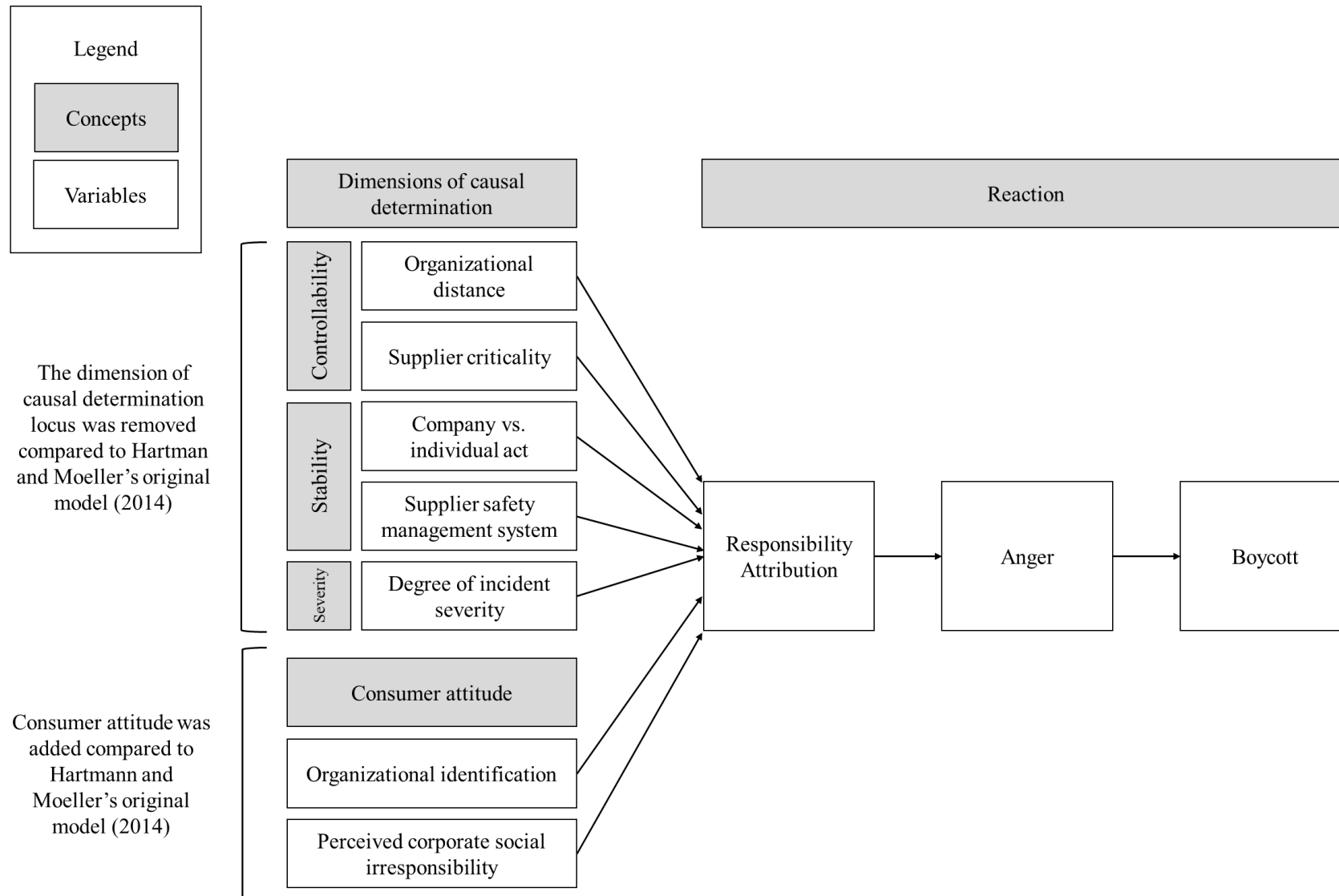


Figure 4. Proposed research model for consumer reaction for supplier irresponsible behaviour resulting in OSH incident

Firstly, according to Lange and Washburn (2012) customers that identify more with the focal firm are less likely to consider it as morally responsible for the incident. Lange and Washburn (2012) argue that customer's organizational identification with the implicated firm is negatively related to customer's assessment of the firm's culpability. In the current study, it is argued that responsibility attribution will be negatively impacted by consumer's organizational identification with the MNE brands (see 2.5 Hypothesis). Secondly, according to Lange and Washburn (2012), the more CSI customers perceive, the more CSI they attribute to firms. They argue that a customer's perception of a firm disposition for irresponsible behaviour is positively related to the customer's assessment of the firm's culpability (Lange and Washburn, 2012). Correspondingly, Folkes and Kamins (1999) found that perceived unethical corporate behaviour may influence consumer attitude. In the current study, it is argued that responsibility attribution will be positively impacted by consumer's perceived corporate social irresponsibility (see section 2.5 Hypothesis).

Contrary to Hartmann and Moeller (2014) whose research focuses on supplier unsustainable behaviour resulting in environmental incidents, the current study focuses on supplier irresponsible behaviour resulting in social incidents. Therefore, not all dimensions of causal determination from the Hartmann and Moeller (2014) model were included in the model developed for the current study. In the model developed by Hartmann and Moeller (2014), what caused the incident plays a role in determining the responsibilities. Hartmann and Moeller (2014) argue that responsibility attribution will be negatively impacted if force majeure is what caused the incident or positively impacted if the company is what caused the incident. Those considerations make sense in the context of environmental incidents and catastrophe but it was decided to remove it from the current study because force majeure is not relevant in the context of fast fashion and OSH incidents. In addition, because the focus is on social incidents and not environmental incident, the dimension of causal determination environmental management system was transformed into a supplier safety management system. This modification makes the dimension more relevant in the fast fashion context.

In the model developed by Hartmann and Moeller (2014), the location of the incident plays a role in determining the responsibilities. Hartmann and Moeller (2014) argue that responsibility attribution will be negatively impacted if the incident happens at a supplier facility or positively impacted if the incident happens at a subsidiary of the focal firm or a facility owned by the focal firm. Contrary to Hartmann and Moeller (2014), the current study focuses only on outsourcing/offshoring practices and exclude situations in which MNEs and suppliers are linked

together through shared ownership and in which MNEs have built their own factories abroad to manufacture their products. The location of the incident is always the supplier facility. Therefore, it was decided to remove the incident locality: firm vs. supply from the dimensions of causal determination in the current study model

In the model developed by Hartmann and Moeller (2014), the size of the focal firm plays a role in determining the responsibilities. Hartmann and Moeller (2014) argue that responsibility attribution will be negatively impacted if the focal firm is small or positively impacted if the focal firm is large. Contrary to Hartmann and Moeller (2014), the current study focuses exclusively on MNEs. The MNEs are quite large firms. Therefore, it was decided to remove the focal firm size from the dimensions of causal determination. All the above-mentioned changes made in the original model developed by Hartmann and Moeller (2014) to fit the specifications of the current study confirms the uniqueness and originality of this research.

2.4 Hypothesis building

This chapter presents the development and the nature of the hypothesised relationships included in the research model. First the hypotheses related to the causal dimensions of responsibility attribution are developed. Secondly, the hypotheses related to consumer attitude are developed and finally the hypotheses related to anger and boycott are developed. At the end of this chapter, Figure 5 summarizes the hypothesized relationships and its nature.

Causal dimensions of responsibility attribution

The first dimension that can potentially affects customers' attribution process to be addressed is: controllability. The controllability dimension should be understood as the varying degrees of control that MNEs have over their supplier. The greater the control the MNE has, the greater the chances are that the MNE can prevent or foresee the supplier irresponsible behaviour, the greater the responsibility attribution in case of supplier irresponsible behaviour (Weiner, 1986, 1995). MNEs extend their reach deeper into the supply chain increasing the number of intermediaries and making supply chain dynamic but also more complex networks (Choi & Linton, 2011; Pagell et al., 2010; Mena et al., 2013). Longer supply chains are more complex and more difficult to manage than shorter ones (Awaysheh and Klassen, 2010). And longer supply chain are less transparent than shorter ones because transparency decreases when the number of intermediaries increases (Roth et al., 2008). There is a positive relationship between a firm's business complexity and the occurrence of CSI (Strike et al, 2006). The more complex MNEs operations, the more likely is the occurrence of CSI. Scholars have suggested that geographical distance influences the power a buyer has over its suppliers (Elg and Hultman, 2011). It implies that the greater the distance, the more difficult it is for MNEs to control suppliers' activities and practices (Ulstrup et al., 2013). It was also suggested that geographical distance is negatively related to the adoption of responsible practices by suppliers (Awaysheh and Klassen, 2010). The greater the geographical distance, the more difficult it is for firms to interact frequently with suppliers (Choy and Lee, 2003).

It is argued that second-tier, third-tier suppliers and sub suppliers rather than direct suppliers are often the starting point of the most severe environmental and social incidents (Ernst and Kim, 2002; Plambeck, 2012). There are at least four reasons explaining why lower-tier suppliers are causing severe incidents (Tachizawa and Wong, 2014). First, MNEs have fewer or inadequate information about their lower-tier suppliers than for first-tier suppliers. Therefore, it is difficult for fast fashion MNEs to manage the sustainability of lower-tier suppliers and to

prevent irresponsible behaviour (Choi and Hong, 2002). Second, due to the organizational distance, MNEs are not in position where they could influence lower-tier suppliers' practices (Tachizawa and Wong, 2014). Third, lower-tier suppliers are usually located in developing countries where social regulations are weak and enforcement is not always optimal (Esty and Winston, 2006). And finally, MNE and non-critical lower-tier suppliers have unstable relationships and are therefore changed more often (Ponce and Prida, 2004). Moreover, lower-tier suppliers are less subject to public scrutiny because they often are small and medium-sized factories. Thus, lower-tier suppliers are less exposed to institutional pressures to improve their environmental and social performances. The reduced exposition to institutional pressures makes lower-supplier at a higher risk of developing or continuing irresponsible behaviours and causing severe incidents. (Lee et al., 2012; Wilhelm et al, 2016). The sustainability performances of lower-tier supplier are therefore more difficult to monitor and to influence than the sustainability performances of first-tier suppliers. Because fast fashion MNEs have less power over lower-tier suppliers than over first-tier suppliers. Hartmann and Moeller (2014) argue that customers should recognize that longer supply chains are more difficult to control and to manage. Therefore, I argue that:

H1 (-). Customers attribute less responsibility to fast fashion MNEs for social irresponsible supplier behaviour when organizational distance between the fast fashion MNE and the supplier is greater.

Fast fashion MNEs outsource their productions to many suppliers (Doyle et al., 2006). However, not all have them have the same strategic importance. Fast fashion MNEs develop different relationships with their supplier ranging from close partnerships to distant relationships (Bruce and Daly, 2006). One factor influencing the relationship between fast fashion MNEs and their supplier is: the product criticality. Highly critical products sourced from lower-tier suppliers are likely to force the fast fashion MNEs to establish a direct relationship with that lower-supplier (Choi and Hong, 2002; Lee et al., 2012a, Tachizawa and Wong, 2014). According to Awaysheh and Klassen (2010), fast fashion MNEs' dependency on suppliers for critical products directly influence the adoption of socially responsible practices in the supply chain. Suppliers that are important get more attention from the MNE. It is in the MNE interest to invest in and to develop its relationship with the supplier. The more important the supplier is, the tighter their relationship gets.

Close partnerships between fast fashion MNEs and lower-tier suppliers implies that fast fashion MNEs have more information, oversight and control their suppliers and to prevent or foresee

supplier irresponsible behaviour. Additionally, Hartmann and Moeller (2014) argue that if consumers recognize that the fast fashion MNE and the supplier have a close relationship, that the fast fashion MNEs have more opportunities to control suppliers' behaviours then they will perceive the fast fashion MNEs as more culpable for the supplier irresponsible behaviour because it failed to prevent it. Therefore, I argue that:

H2 (+). Customers attribute more responsibility to fast fashion MNEs for social irresponsible supplier behaviour when the strategic importance of the supplier is greater.

The second dimension that can potentially affects customers' attribution process to be addressed is: stability. As abovementioned, stability refers to the permanence of the irresponsible behaviour. Weiner (1980), Folkes (1984, p.399) argue that: "attributions to unstable reasons lead to uncertainty about future outcomes, whereas stable attributions lead a person to expect the same outcome in the future". It implies that if the reason leading to the supplier irresponsible behaviour is permanent, the reason is said to be unstable. And customers will attribute more responsibilities to the MNE because there is an uncertainty about future outcomes, meaning that the chances of a similar incident happening again in the future are higher. However, if the reason leading to the supplier irresponsible behaviour is fairly fluctuating over time, the reason is said to be stable. And customers will attribute fewer responsibilities to the MNE because there is more certainty about future outcomes, meaning that the chances of a similar incident happening again in the future are lower. The stability dimension led to the identification of two incident characteristics and then to the development of two hypotheses.

The first characteristics that may influence the customer attribution process based on the stability dimension is whether the irresponsible behaviour that triggered the incident was carried out by the supplying company or by one of the worker of the supplying company (Hartmann and Moeller, 2014). If the irresponsible behaviour that triggered the incident is caused by a systemic failure of the company rather than being caused by a single worker, the uncertainty of future outcomes and the chances of a similar incident happening again are higher. In that case, the reason leading to the irresponsible behaviour is unstable. Customers are expected to attribute more responsibilities to the MNE because it should have foreseen that the supplier was behaving irresponsibly.

Conversely, if the incident was triggered by the irresponsible behaviour of a single worker, it does not mean that the supplier is irresponsible. Therefore, the chances of a similar incident happening again in the future are lower. In that case, the reason leading to the irresponsible

behaviour is stable. Customers are expected to attribute fewer responsibilities to the fast fashion MNE because it could not have foreseen or prevented that a single supplier worker would behave irresponsibly (Hartmann and Moeller (2014). Therefore, I argue that:

H3 (+). Customers attribute more responsibility to fast fashion MNEs for social irresponsible supplier behaviour when the supplying company, rather than an individual worker within the supplying company, caused the irresponsible behaviour.

Another stability factor influencing the customer attribution process is whether the supplier's irresponsible behaviour could have been prevented or the resulting severity limited by the implementation of a voluntary governance mechanism (Hartmann and Moeller, 2014). Gao et al. (2012) argue that consumers expect firms to account for the environmental behaviour of the suppliers when making purchasing decisions. This research supposes that consumers will have similar expectations for social behaviours. Global buyers are expected to monitor the operations and the behaviours of their suppliers (Carter and Jennings, 2002). Past incidents and scandals have pushed MNEs in the garment industry to develop codes of conduct for their suppliers. These codes of conduct are sets of rules defining the norms, the rules and the practices to be respected by the suppliers. Codes of conduct are expected to ensure that the working conditions are safe and hygienic (Jiang, 2009). Suppliers' incentive to abide by these codes of conduct is to secure future subcontracting deals with the sourcing MNE.

However, the success of the codes of conduct is questioned. First, it is difficult to ensure suppliers commitment to the codes (Clarke and Boersma, 2015). Second, Pinkse and Kolk (2009) argue that codes of conduct lack monitoring and enforcement mechanisms. Third, codes of conduct are often established by Western MNEs and imposed on suppliers in developing countries making them passive players (Jiang, 2009). And finally, the codes are not delivering large scale and sustained working condition improvements (Locke et al., 2007). These are the reasons why codes of conduct are not always successfully implemented and even when they are, MNEs should monitor that they are respected by suppliers. A code of conduct that is not successfully implemented or that is not entirely respected by a supplier is considered dysfunctional. Dysfunctional safety management system implies that safety measures are not respected at the supplier facilities which can potentially worsen the outcomes of an incident. In presence of a dysfunctional safety management system, the reason leading to a worse incident outcome is unstable. Customers are expected to attribute more responsibilities to the fast fashion MNE because it failed to ensure the safety at the supplier facilities and because of that they

believe a similar supplier irresponsible behaviour will happen again in the future and causing another incident (Hartmann and Moeller, 2014). Therefore, I argue that:

H4 (+). Customers attribute more responsibility to fast fashion MNEs for social irresponsible supplier behaviour, when the safety management system in place is dysfunctional.

Individuals build attributions based on perceptions and not on objective reality (Lange and Washburn, 2012) which implies that attribution is a subjective process. Building from causal inferences and moral judgments theories, Lange and Washburn (2012) identified the assessment of effect undesirability as influencing the observer's assessment of corporate culpability. In the current study, the assessment of effect undesirability refers to the perceived incident severity and the assessment of corporate culpability refers to the responsibility attribution. According to Lange and Washburn (2012, p.305), the assessments of effect undesirability: is: "dependent on the values, perspectives, and interpretations of the perceiver and likely will be rooted in the individual's perceptions of threat and moral impulses". The degree of severity of an incident resulting from supplier's irresponsible behaviours plays a role in consumer's responsibility attribution.

According to Janssen et al. (2015, p.190): "it is worth noting that regardless of the actual or potential severity of the damages inflicted, crisis responsibility and crisis severity eventually lie in the public's eyes". Additionally, the psychology literature suggests that the more severe an accident is perceived by observers, the more blame they attribute to the responsible of the accident (Robbennolt, 2000; Burger, 1981). The presence of this relationship between severity and blame attribution was researched to determine consumer behaviour in the context of a product-harm crisis by Laufer et al. (2005). Laufer et al. (2005) found that consumers attributed more responsibility for the product-harm crisis when the crisis was more severe. Potentially, the greater the severity, the greater the consequences, and therefore the greater the reaction it will provoke (Zyglidopoulos, 2001, p.423). Then, incident outcome of greater scale drives greater reactions than smaller incident outcome. Therefore, I argue that:

H5 (+). Customers attribute more responsibility to fast fashion MNEs for social irresponsible supplier behaviour when the severity of the outcomes of the irresponsible behaviour is higher.

Consumer attitude

In addition to the causal dimensions, intrinsic characteristics of the customers themselves might play a role in their attribution process. Although, the attribution theory considers people as rational information processors (Folkes, 1984), it does not prevent people to be biased in their judgements and therefore in their attribution process.

Customers identify with MNE brands with varying degrees. On the one hand, some customers will praise the brand and be proud of its successes. And on the other hand, some customers will appreciate the brand but be indifferent about its successes and will not look for others' approval of the brand. These different levels of identification with the MNE brand can possibly impact customers' judgement when hearing about supply chain incidents and having to attribute responsibilities. Lange and Washburn (2012, p.315) argue that a customer's social identification (most often referred to as organizational identification) with an implicated firm is negatively related to the customer's assessment of the firm's culpability. Therefore, customers are less likely to consider a firm culpable and to attribute responsibilities because the customer identifies with the fast fashion MNE. Therefore, I argue that:

H6 (-). The more customers identify with the fast fashion MNE, the less responsibilities they attribute.

In addition to the notion of organizational identification, there is another element that can possibly influences customers' judgement when hearing about supply chain incidents and having to attribute responsibilities. For example, customer's knowledge about previous incidents and knowledge about the MNE CSR initiatives can influence customer's perceptions of the MNE.

CSI information influences stakeholders' perceptions of an MNE's responsibilities which in turn impacts stakeholders' attitudes toward that MNE (Lange and Washburn, 2012; Lin-Hi and Muller, 2013). In addition, fast fashion MNEs' CSI record affect consumers' perceptions of those fast fashion MNEs (Brown and Dacin 1997; Sen and Bhattacharya 2001). It is argued that, fast fashion MNEs that are considered as socially irresponsible will be evaluated negatively by consumers (Sen & Bhattacharya, 2001; Yoon et al., 2003). In the present study, MNEs are not directly causing the accident nor directly behaving irresponsibly. However, it does not prevent customers from perceiving MNEs disposition to deal with irresponsible behaving suppliers.

Previous research has shown that perceived unethical corporate behaviour has an influence on consumer attitude (Folkes and Kamins, 1999). Lange and Washburn (2012, p.313) argue that a customer's perception of a firm disposition for irresponsible behaviour is positively related to the customer's assessment of the firm's culpability. Briefly explained by Lange and Washburn (2012, p.312), it means that: "consumer's prior perceptions of the company as socially responsible create a halo or spill over effect, leading to a bias about whether the company is or is not responsible for the product-harm crisis". Building from that assumption, if a consumer is less likely to consider a firm culpable due to firm perceived disposition for irresponsible behaviour, it will also be less likely to attribute responsibility because the assessment of culpability is key in consumer's process of determining the responsibility attribution (Lange and Washburn, 2012). Therefore, I argue that:

H7 (+). The more customers perceive the fast fashion MNE as socially irresponsible, the more responsibilities they attribute.

Anger

CSI information about MNEs or their suppliers affect the stakeholders' perceptions of MNEs and stakeholders' perceptions of MNEs influence positively or negatively their behaviour towards those MNEs (Paloviita and Luoma-Aho, 2010, Lange and Washburn, 2012; Lin-Hi and Muller, 2013). Consumers' responsibility attributions are intrinsically linked to emotional and behavioural reactions (Weiner, 1986, 1995). The more responsibility is attributed to an MNE, the stronger the emotional and behavioural reactions (Fincham and Jaspars, 1980; Shaver, 2012). Weber (2004) argue that higher degree of agent's blame lead to higher degrees of anger. Agent's blame refers to consumer's responsibility attribution. According to Weiner's (1986, 1995) attribution process, anger is the most likely emotional reaction to be experienced by consumers following responsibility attribution for negative incidents. Furthermore, it is suggested that the intensity of consumers' emotional reaction depends on how they attribute responsibilities (Ortony et al., 1988; Machleit and Mantel, 2001). Differently said, consumers' causal inferences about a negative event influences their anger level. Previous research studying the relationships between attribution and emotion have found that consumers that attribute responsibilities to the firm for a negative event, exhibited higher levels of anger (Folkes et al., 1987; Diaz et al., 2002; Funches, 2011, Hartmann and Moeller, 2014). Therefore, I argue that:

H8 (+). Higher levels of customer responsibility attribution, towards the fast fashion MNEs for social irresponsible supplier behaviour, lead to higher levels of customer anger.

Boycott

The major boycott motivation has been identified as being an instrumental motivation. In this case, boycott is an instrument used to make the target change or discontinue a detrimental behaviour (Friedman, 1999). It is expected that higher levels of anger would lead to higher levels of willingness to boycott.

A decade ago, Klein et al. (2004, p.92) observed that “as a result of greater public attention to corporate social responsibility (CSR) and the increased vulnerability of brands and corporate reputations, boycotts have become ever more relevant for management decision making.” This observation remains pertinent today. The internet, through social networks and communities, allows customers to make their willingness to punish corporate brands a reality. Internet has eased customers’ retaliation against corporate brands for CSI activities. (Sweetin et al., 2013). Sweetin et al. (2013) found that consumers were more likely to punish and less likely to reward socially irresponsible firms in comparison with socially responsible firms. They also found that the purchase intention and the brand attitude were lower for the socially irresponsible firms compared to the socially responsible firms (Sweetin et al., 2013). Consumers are more likely to punish or boycott socially irresponsible firms than to reward socially responsible firms (e.g. paying a premium for responsible products). (Mohr et al., 2001; Sweetin et al., 2013).

Consumers’ willingness to punish corporate brands can be materialized through various actions (bad word of mouth, complaint, boycott...) but the current study exclusively focus on boycott. First, because boycott has a direct impact on products sales and harm the brand image. Second, because there is empirical support showing that boycott is a mechanism used by consumers to hold corporate brands responsible for CSR failings (Klein et al., 2004). Using Friedman’s (1985, p. 97) definition, consumer boycott is “an attempt by one or more parties to achieve certain objectives by urging individual consumers to refrain from making selected purchases in the marketplace.” Modern boycotts are motivated by irresponsible corporate practices rather than by socio-political agenda (e.g. civil rights) (Klein et al., 2004). Boycott are typically called by NGOs condemning irresponsible corporate practices (Klein et al., 2004) and boycotts “represent a source of consumer power and a mechanism for the social control of business” (Klein et al., 2004, p.92).

However, consumers may be willing to punish corporate brands but they do not necessarily know what are the reasons that motivates them to take actions (Carlsmith, 2008). Consumers may not be aware of their own motivation and to which extent they desire to punish corporate

brands (Sweetin et al., 2013). Although this research is not focused on individual consumer's motivation to boycott, investigating the reasons that motivate consumers to participate in boycott is important to understand consumers' behaviour towards firms they perceive as acting irresponsibly. Klein et al. (2004) found that consumers' participation to a boycott depends among other things on: the perceived egregiousness of the firm's actions, the belief that the boycott is the appropriate and effective response, to feel good about themselves if they take part in the boycott, the estimation of others participation in the boycott and assessment of the available alternatives to the boycotted product. Klein et al. (2004) argue that negative emotions, such as anger, are a good indicator of boycott participation.

In addition, Kalamas et al (2008) found that with increasing anger levels, consumers were more inclined to deliberately to worsen the consequences of their actions towards a firm. Correspondingly, anger was found to have a negative effect on future purchasing behaviour and increased levels of anger make consumers less likely to repurchase products from the firm (Bougie et al., 2003; Chebat and Slusarczyk, 2005; Kalamas et al., 2008). Therefore, I argue that:

H9 (+). Higher levels of customer anger, towards the fast fashion MNEs for social irresponsible supplier behaviour, lead to higher levels of customer willingness to boycott.

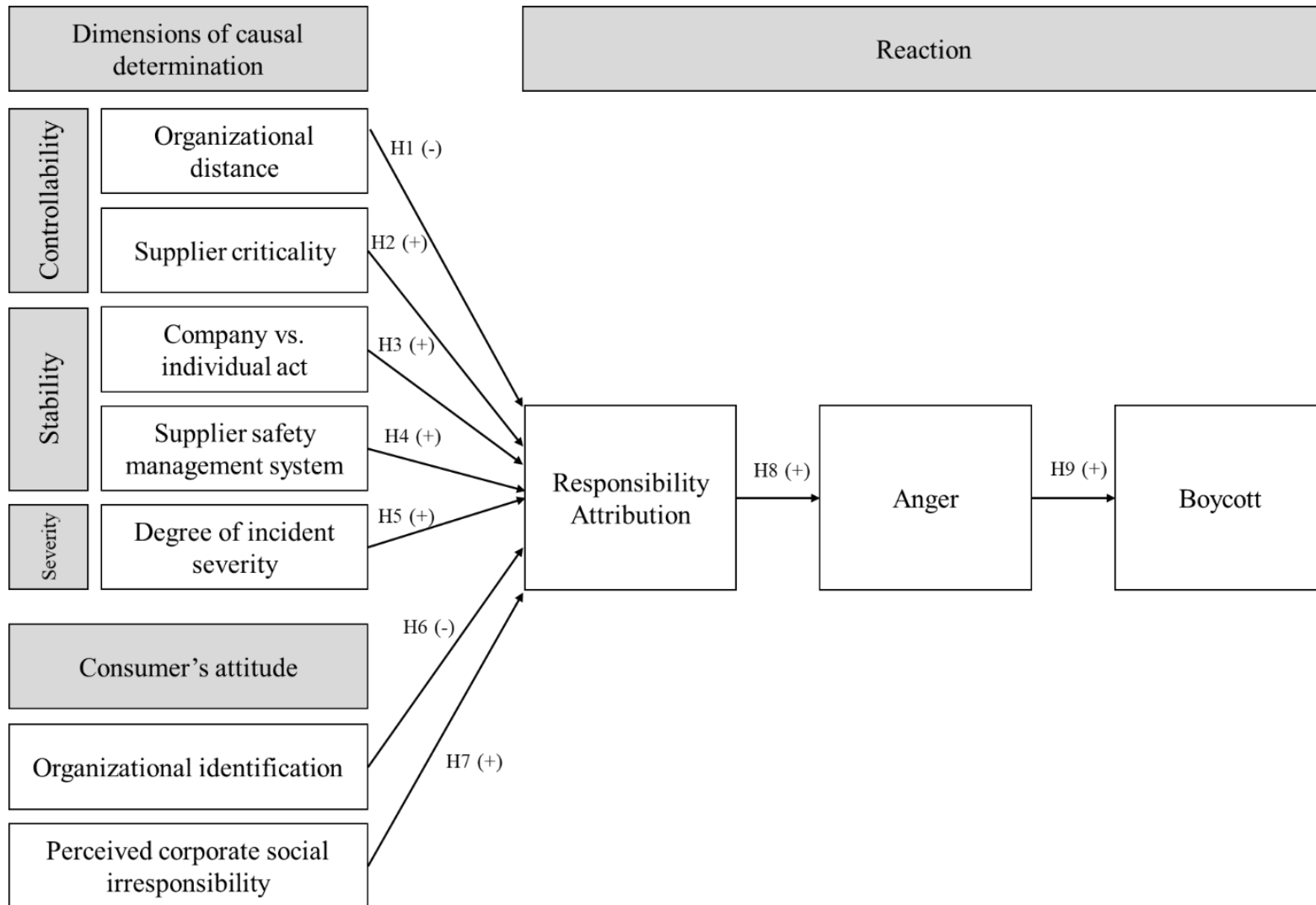


Figure 5. Research model including hypothesis for consumer reaction for supplier irresponsible behaviour resulting in OSH incident

3. Methodology

The methodology chapter presents the methodology used in this master's thesis. More precisely, the chapter covers the selected research method, the data collection, the operationalization of the measures and the statistical analysis method used.

3.1 Choice of research method

This section explains why the vignette-based experiment survey was selected as the research method and argues for the company included in the survey and how the vignettes were developed. Each vignette and related scenarios are described and put in relation with the hypothesis.

3.1.1 Vignette-based experiment survey

The data collection methodology is the method that refers to the collection of observations from respondents. Picking an appropriate data collection methodology is essential to ensure that the research problem is appropriately addressed and provides coherence for the research design. To measure customer responsibility attribution, consumer anger and consumer boycott intentions it was decided to perform a quantitative methodology under the form of a self-administered vignette-based experiments survey.

One of the advantage of self-administered survey is that they do not require the presence of an interviewer or the presence of the researcher (Scheaffer et al., 2011). Because the contact between the researcher and the respondents are limited, self-administered surveys may be subject to low response rate consequently producing a non-representative sample (Scheaffer et al., 2011). However, the current study survey was made available through the online survey platform Webropol making it impossible to measure the response rate. Nevertheless, the online survey platform indicates that 612 people visited the survey web page and in total 202 people submitted a questionnaire which means that 33% of the people that visited the survey web page actually responded to the questionnaire. The survey methodology was selected as the most relevant method because the survey is the method used to gather information from a sample of individuals and the present study requires to gather information from fast fashion consumers. One issue relating to survey methodologies is that the comparisons of answers to a set of questions within a single survey is problematic because respondents' answers may be influenced by the other questions in the survey (Schuman and Presser, 1981). For example, to test whether consumers attribute more responsibility to MNEs for OSH incidents caused by the

supplier irresponsible behaviour in function of the organizational distance between the MNE and the supplier, one could successively present the respondents with the following affirmation: The MNE is responsible for the incident. And ask them to assess (using a Likert-scale) whether they agree or disagree with the affirmation in a situation where there is no intermediary, one intermediary or two intermediaries between the MNE and the supplier. However, this is problematic because respondents' answer to one situation may be influenced by the answers they gave to the other two situations.

The current study, through the dimension of causal determination constantly assesses how consumers attribute responsibility in function of varying situations (e.g. the severity of the incident is high or the severity is low). Therefore, the fact that previous questions may influence respondent's answers to other questions needs to be addressed to ensure the internal validity of the findings. To solve this issue, one would suggest to test the different situations in different surveys. However, responses may change over time and variations across surveys would cause more problems (Schuman and Bobo, 1988). The survey methodology that avoids these problems is the vignette-based experiment survey with the use of subsamples within the survey (Schuman and Bobo, 1988). Two important concerns to consider when picking a methodology are: internal and external validity. Internal validity refers to the extent to which the causal relationships are guaranteed within the study by minimizing the systematic error. The external validity refers to the extent to which the findings can be generalized to other situations or contexts. By improving the realism of the experimentation and by allowing the researcher to select the independent variables, the vignette-based experiments simultaneously improve internal and external validity (Atzmüller and Steiner, 2010). Consequently, this methodology was selected for the current study.

In survey methodology, vignettes are short texts depicting a situation and containing carefully worded elements that are believed to be essential in the respondents' judgement-making process (Alexander and Becker, 1978; Atzmüller and Steiner, 2010). Vignettes are useful to standardize the situation across respondents and to avoid that respondents impute additional information when answering abstract questions (Alexander and Becker, 1978). In the current study scenarios are sometimes referred to as "cases". Different scenarios or version of the same vignettes are then assigned to different respondents (Alexander and Becker, 1978). According to Alexander and Becker (1978) the main advantage of vignette-based survey is that it allows the analysis of variation in respondent's judgement by systematically modifying characteristics of the described situation. In order to perform the analysis between respondents it is essential to ensure

that the different vignettes scenarios are approximately equally spread across the sample (Alexander and Becker, 1978). Table 1 shows the distribution per vignette of the different scenarios across the respondents.

Table 1. Number of respondents per vignette and per scenario

ZARA vignette (N=202)	C&A vignette (N=202)	H&M vignette (N=202)
Scenario 1 (two-tier supply chain) 54	Scenario 1 (low supplier importance and company) 60	Scenario 1 (low severity and functional ssms) 44
Scenario 2 (three-tier supply chain) 92	Scenario 2 (low supplier importance and individual) 43	Scenario 2 (low severity and dysfunctional ssms) 58
Scenario 3 (four-tier supply chain) 56	Scenario 3 (high supplier importance and company) 50	Scenario 3 (high severity and functional ssms) 57
	Scenario 4 (high supplier importance and individual) 49	Scenario 4 (high severity and dysfunctional ssms) 43
Total 202	Total 202	Total 202

Atzmüller and Steiner (2010) have identified three different types of vignette-based experiments: within-subjects design in which respondents are presented with all the possible scenarios from each vignette, mixed design in which respondents are presented with one scenario from each vignette and between-subjects design in which respondents are presented with only one scenario from one of the vignettes. To prevent respondents from having to answer a lengthy and repetitive survey, the within-design was rejected. The between-subjects design is subject to measurement problems (Birnbbaum, 1999). Therefore, the mixed design was selected for the vignette based-experiments.

In order to test the hypothesised relationships a vignette-based survey was designed. Three vignettes presenting varying incidents characteristics were developed. The vignettes describe different situations/scenarios in which an MNE is engaged in an outsourcing/off-shoring relationship with a developing country supplier and in which an OSH incident resulting from supplier irresponsible behaviour occurs. The research model of the current study comprises of

5 dimensions of causal determination which would necessitate the production of 5 different vignettes for a total of 11 scenarios (4 of the dimensions of causal determination are dichotomous situation and 1 has three situations). Nevertheless, to avoid respondents fatigue when answering the survey the number of vignettes was limited to three. Two of the vignettes (C&A and H&M) were composed with two dimensions of causal determinations and one vignette (ZARA) was composed with only one dimension of causal determination. Moreover, the inclusion of more than one explanatory factors in a vignette enhance the realism of the scenarios (Atzmüller and Steiner, 2010). To prevent correlation between the dimensions of causal determination the two dimensions of causal determination that referred to controllability (organizational distance and supplier criticality) and the two dimensions of causal determination that referred to stability (company vs. individual act and supplier safety management system) were split across different vignette. The different vignettes and scenarios are discussed in subsection 3.1.3 to 3.1.4 and presented in Appendix 1.

3.1.2 Company selection

All the companies that are included in the vignette-based survey meet the following criteria: first, they are multinational enterprises operating in the fast-fashion industry; second, they have a high physical presence in Belgium through numerous stores; third, they source materials, parts or products from suppliers located in developing countries; and fourth, in recent years, one of their suppliers was confronted with social sustainable issues.

I decided to only select multinational enterprises because “MNEs were among the organizations first called to take actions” (Escobar and Vredenburg, 2011, p.39) on sustainable development and because “MNEs are confronted with institutional tensions more frequently than are uninational firms” (Cantwell et al., 2010, p.572) helping them to reach higher levels of CSR (Sharfman et al., 2004). For this research, I set the focus on MNEs operating in the fast fashion industry. Because the fast fashion industry is often criticized for its social practices and its quest to take advantage of cheap labour condition (Bruce and Daly, 2006). Additionally, it was decided to select companies evolving in the same industry in order to produce results that are comparable or that are, at least, not biased due to industry differences. Contrary to Hartmann and Moeller (2014), I developed the vignette-based experiments using existing companies. For their research, Hartmann and Moeller (2014), created fictional company names and brands, mainly to prevent bias caused by customers’ identification with existing brands. However, this research also aims to determine whether customer’s organizational identification influence the

responsibility attribution. Existing MNE brands were used because respondents are more likely to be familiar with their brands and products.

The three company cases selected to build the survey are: H&M, C&A and ZARA. They were selected because they respect all the above-mentioned criteria. Another reason that led to the selection of these MNEs is because they exhibit strong sustainability communication strategies. In addition, extensive marketing and communication make CSR practices and policies of MNEs more likely to be known by potential respondents than those of smaller firms. ZARA is a brand of the largest global clothing retailer, namely INDITEX, and it has 2,162 stores located in 88 countries, out of which 27 are located in Belgium as of 2015 (INDITEX, 2015). ZARA also has an online store available in Belgium. Though the MNE owning the ZARA brand is INDITEX, the term “ZARA” will be used throughout the thesis when referring to that case in order to remove potential confusion.

The links between the theory, the constructs, the hypotheses, and vignette-based experiments are presented in Table 2. The ZARA case was developed to test H1 (organizational distance). C&A is a large global clothing retailer and has 1575 retail stores in Europe, out of which 138 were located in Belgium as of November 2016. C&A also has an online store available in Belgium. The C&A case was developed to test H2 (supplier criticality) and H3 (company vs. individual). H&M is the second largest global clothing retailer and it has 4,351 retail stores in 61 countries, out of which 90 were located in Belgium as of November 2016 (H&M, 2016). H&M also has an online store available in Belgium. The H&M case was developed to test H4 (SSMS) and H5 (severity). The experiments and their detailed scenarios can be found in Appendix 1.

Table 2. Links between theory, constructs, hypotheses and experiments

	Manipulated constructs	Hypothesis	Experiments
Causal dimensions			
Controllability	Organizational distance	H1	ZARA
	Importance of the supplier	H2	C&A
Stability	Company vs. Individual	H3	C&A
	Supplier Safety Management System	H4	H&M
Severity	Degree of severity	H5	H&M
Consumer attitude			
Identification with the brand	Organizational Identification	H6	All
Perceived brand CSI	Perceived corporate social irresponsibility	H7	All
Consumer reaction			
Causal inferences	Responsibility attribution	H1 to H5	All
Emotional reaction	Anger	H8	All
Behavioral reaction	Boycott	H9	All

3.1.3 ZARA vignette: worker exploitation

Experiments were developed for each of the selected fast fashion MNEs, namely: ZARA, C&A and H&M. The content of the experiments is fictional but was broadly inspired by real incidents that took place in developing country garment factories. The real case accidents were adapted to create the scenarios and to fit the different hypotheses. The structure of the experiments and the related scenarios were adapted from Hartmann and Moeller (2014).

In 2011, the Brazilian government identified 52 charges against INDITEX (ZARA's parent company) after AHA, the company that produces 90% of ZARA's Brazilian production, had sub-contracted the production to a factory in Sao Paulo. The subcontracted factory was exploiting 15 migrant workers from Bolivia and Peru. One of the worker was only 14 years old. The workers were living on site and worked 12-hour shift in dangerous conditions. The workers earned between \$156 and \$290 while Brazil's minimum wage was at that time \$344. ZARA said it did not authorized AHA to outsource the production and therefore could not be held responsible. (The Guardian, 2011). Building from that real case incident, the first experiment was developed to test whether organizational distance (H1) influences customer's responsibility

attribution. The situation described in the experiment depicts ZARA outsourcing its production of hoodies to Nolio Inc., a garment manufacturer exploiting adult migrants, located in Sao Paulo, Brazil. Three different scenarios were developed by modifying one variable: the number of intermediaries between ZARA and Nolio Inc. In the first scenario, there is no intermediary between ZARA and Nolio Inc, in the second scenario, there is one intermediary (the Brazilian garment wholesaler, Hozipa) and in the third scenario, there are two intermediaries (the Latin American garment wholesaler, Texerio and the Brazilian garment wholesaler, Hozipa).

3.1.4 C&A vignette: factory fire

On November 24th 2012, a fire broke out at the Tazreen Fashion factory, a multi-storey garment factory located outside Bangladesh's capital, Dhaka. The fire killed 123 workers and injured more than 150 others. The factory was producing garments for European fast fashion MNEs, including C&A. Incident reports suggest that the factory fire exit had locks on which had to be broken to enable workers to escape the site. (The Guardian, 2012). Building from that real case incident, the second experiment was developed to test two hypotheses. The first hypothesis tested in this experiment aims to find out whether the strategic importance of the supplier (H2) for the MNE influences customer's responsibility attribution. The second hypothesis tested aims to find out whether the customer's responsibility attribution will be influenced by who caused the incident at the supplier factory (H3). The situation described in the experiment depicts C&A outsourcing its production of t-shirts to the Tazreen Fashion Factory, a garment manufacturer, located in Dhaka, Bangladesh. In the experiment, a fire breaks out at the factory and workers are injured and killed. Four different scenarios were developed by modifying two variables: the strategic importance of the supplier for C&A (the sourced t-shirts are critical products that attract a lot of customers in C&A stores versus the t-shirts are basic products and customers would continue to go to C&A stores even if those were not available) and who caused the incident at the supplier factory (the supplier as a whole failed to prevent the incident versus an individual worker failed to prevent the incident).

3.1.5 H&M vignette: factory fire

In March 2010, a fire broke out at the Garib & Garib Newaj Company, a Bangladeshi garment factory manufacturing cardigans and jumpers for the fast fashion MNE H&M. The fire killed 21 workers and 50 were injured. The fire broke out at 9pm, workers were still present on site to fulfil orders. Reports suggest that the factory had ineffective fire equipment. However, H&M said to have audited the factory in October and did not find serious safety failure. (The

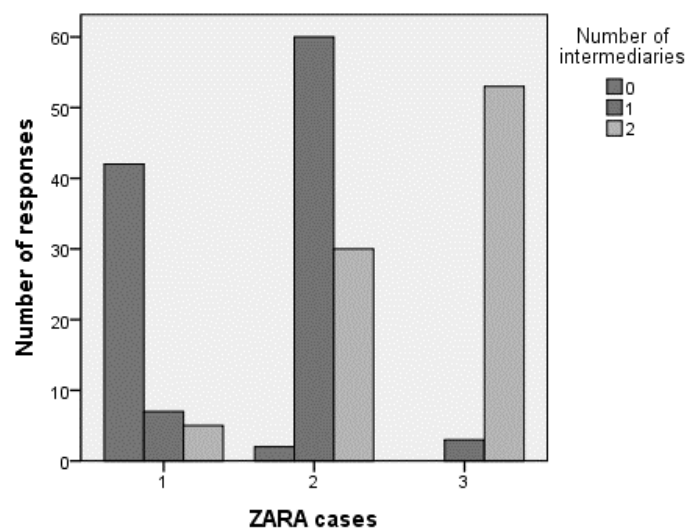
independent, 2010). Building from that real case accident, the third experiment was developed to test whether the severity of the incidents (H5) and the successful implementation of safety codes of conduct (H4) influence customer's responsibility attribution. The situation described in the experiment depicts H&M outsourcing its production of t-shirts to Khulna Inc., a garment manufacturer, located in Bangladesh. In the experiment, a fire breaks out at the factory and workers are injured and/or killed. Four different scenarios were developed by modifying two variables: the severity of the incident (a small number of workers injured versus a high number of workers injured and killed) and the implementation of a code of conduct on safety management systems (the successful implementation of the code led to improvement in safety within the supplier factory versus the unsuccessful implementation of the code leaving workers at risk in terms of safety).

3.1.6 Manipulation checks

Respondents were asked to answer manipulation check questions in order to verify that they perceived as intended the vignette-scenario that they were requested to reflect upon (Field and Hole, 2003). The ZARA vignettes tests one hypothesis. The cases presented variations based on incident controllability (organizational distance). The ZARA vignette has three scenarios. Each of the scenario has a different number of intermediary (ranging from 0 to 2) between fast fashion MNE and the irresponsible supplier. In case 1, there is no intermediary between ZARA and Nolio Inc. In case 2, there is one intermediary between ZARA and Nolio Inc. And in case 3, there are two intermediaries between ZARA and Nolio Inc. With respect to the experimental manipulation of the ZARA vignette, participants were asked how many intermediaries there are between ZARA and the supplier in the situation. Graph 1 summarizes the answer of the respondent to the manipulation check. There are 202 respondents that answered one of the ZARA cases: 54 answered the case 1, 92 answered the case 2 and 56 answered the case 3. Out of the 54 respondents of case 1, 42 answered the manipulation check question correctly (zero intermediary) and 12 answered the manipulation check question incorrectly (7 for one intermediary and 5 for two intermediaries). Out of the 92 respondents of case 2, 60 answered the manipulation check question correctly (one intermediary) and 32 answered the manipulation check question incorrectly (2 for zero intermediary and 30 for two intermediaries). Finally, out of the 56 respondents of case 3, 53 answered the manipulation check question correctly (two intermediaries) and 3 answered the manipulation check question incorrectly (3 for one intermediary). Many respondents to whom case 2 was presented answered the manipulation check question incorrectly. The two main reasons to explain that are that either respondents did

not understand the case or that the case was flawed and therefore confusing. These results potentially have important consequences for H1 (effect of organizational distance on responsibility attribution). In order to ensure that the results of H1 are not impacted by the respondents that responded wrongly to the manipulation check, H1 will be tested two times. First, with the 202 observations. Second, with the 30 respondents that answered the manipulation check wrongly removed, leaving 182 observations. The results can be found in section 4.3 Hypothesis testing.

Graph 1. Results of ZARA manipulation check



The C&A vignette tests two hypotheses. The cases presented variations and based on incident controllability (supplier criticality) based on incident stability (company vs. individual). With respect to the manipulations present in the C&A vignette, participants were asked whether the supplier played an important role in C&A activities and whether the described irresponsible behaviour was caused by an individual worker of the supplier or by the supplier as a company. The answers of the previous questions were collected using a seven-point scale (1= strongly disagree; 7= strongly agree). There are 202 respondents that answered one of the C&A cases: 60 answered the case 1, 43 answered the case 2, 50 answered the case 3 and 49 answered case 4. Case 1 and case 2 described a situation in which the supplier was not particularly important for C&A activities and case 3 and case 4 described a situation in which the supplier was critical for C&A activities. On average, when asked about supplier criticality, respondents that were

presented case 1 (mean= 4,05; median=3) and case 2 (mean=3.98; median=4) considered that the supplier was less critical for C&A activities than the respondents that were presented case 3 (mean=5,84; median=6) and case 4 (mean=5,69; median=6). It seems that the respondents perceived the supplier criticality manipulation as intended. Case 1 and case 3 described a situation in which the supplier as a whole was responsible for the irresponsible behaviour and case 2 and case 4 described a situation in which an individual worker of the supplier was responsible for the irresponsible behaviour. On average, when presented an affirmation stating that an individual worker caused the accident, respondents that were presented case 1 (mean=2,38; median=2) and case 3 (mean=2,56; median=2) disagreed with the affirmation and the respondents that were presented case 2 (mean=4,58; median=5) and case 4 (mean=5,39; median=6) agreed with it. It seems that the respondents perceived company vs individual manipulation as intended.

The H&M vignette tests two hypotheses. The cases presented variations based on the incident severity (high severity vs. low severity) and based on incident stability (supplier safety management system). With respect to the manipulations present in the H&M vignette, participants were asked whether the described accident is severe and whether a similar accident will happen again in future. The answers were collected using a seven-point scale (1= strongly disagree; 7= strongly agree). There are 202 respondents that answered one of the H&M cases: 44 answered the case 1, 58 answered the case 2, 57 answered the case 3 and 43 answered case 4. Case 1 and case 2 described a situation in which the accident severity was “low” (55 workers were bothered by the smokes) and case 3 and case 4 described a situation in which the accident severity was “high” (21 workers killed, 34 workers injured and another 55 workers bothered by the smokes). On average, when presented an affirmation stating that the described accident was severe, respondents that were presented case 1 (mean=5,13; median=6) and case 2 (mean=5,67; median=6) somewhat agreed with the affirmation but the respondents that were presented case 3 (mean=6,03; median=6) and case 4 (mean=6,37; median=7) agreed with it. It seems that the respondents perceived the severity manipulation as intended. Case 1 and case 3 described a situation in which H&M successfully implemented a safety management system at its supplier and case 2 and case 4 described a situation in which H&M unsuccessfully implemented a safety management system at its supplier. The successful implementation suggests that the safety management system is functional and that it will prevent future accident and the unsuccessful implementation suggests that the safety management system is dysfunctional and that it will fail prevent future accident. On average, when presented an affirmation stating that a similar

accident will happen again in the future, respondents that were presented case 1 (mean=4,86; median=5) and case 3 (mean=4,87; median=5) were neutral or somewhat agreed with the affirmation but the respondents that were presented case 2 (mean=5,72; median=6) and case 4 (mean=5,62; median=6) agreed with it. It seems that the respondents perceived the stability (supplier safety management system) manipulation as intended.

3.2 Data collection

The data collection section contains the definition of the studied population, the sampling methodology, the sample size calculations, the sample definition, the demographics of the respondents and the limitations of the data collected.

3.2.1 Studied population

The present study aims to measure customers' responsibility attribution to MNEs for supplier irresponsible behaviour, consumer anger and consumer boycott intentions. Building on that, it was decided that the target population to extract the sample from is the Walloon population. Wallonia is an administrative region within Belgium. The reasons behind this choice are that first, the researcher is from Belgium and is currently living in Belgium, it is therefore easier to approach and survey the targeted population, second the present study targets consumers and non-consumers, therefore selecting the Walloon population as the target population makes sense. Table 3 presents the structure of the Walloon population by group of age and sex for the year 2016 (Eurostat, 2016). The sample will be extracted from the Walloon population that is at least 18 years old.

Table 3. Structure of the Walloon population by group of age and sex for 2016 (Eurostat, 2016)

	Less than 18 years		Over 18 years		Total	
	Population	%	Population	%	Population	%
Male	389210	10,8	1378928	38,1	1768138	48,9
Female	371607	10,3	1478088	40,9	1849695	51,1
Total	760817	21,0	2857016	79,0	3617833	100

There are three important ethical considerations when conducting online surveys: anonymity, privacy and consent of the respondents (Rhodes et al., 2003). The survey was designed to ensure anonymity and the online tool Webropol ensure the privacy of the collected data. It is difficult to obtain parental consent for self-administered online survey. Therefore, respondents minimum age was set at 18 years old to ensure that parental consent is not needed for respondents younger than 18 (Maddox, 2016). Although, according to the European Union Agency for Fundamental Rights (FRA) there is no clear regulation about parental consent and

age groups in Belgium for the participation of minors in research (FRA, 2014), it was decided to take a “low-risk approach to the research conduct” as suggested by Maddox (2016, p.85). In addition, it ensures that the respondents are old enough to be knowledgeable about the fast fashion MNEs and that the respondents understand the cases and its consequences and that the respondents are making their own clothing purchase decisions.

3.2.2 Convenience sampling

The data collection is an important step for every research. The definition of the surveyed population and the selection of the sampling method are crucial elements in the research design. The most suitable sampling method for survey research would be a probabilistic method such as the simple random sampling method. The simple random sampling method is considered appropriate because individuals from the studied population do have an equal chance of being selected to be part of the sample. It prevents a sampling error known as sampling bias. Sampling bias is caused by a sampling methods that does not give each member of the studied population an equal chance of being selected in the sample. It implies that the sample may not be representative of the studied population. (Gideon, 2012, p.40).

However, resource, budget and time constraints do not allow the researcher to use the simple random sampling method for this research. Instead, the use of a non-random sampling method called convenience sampling is preferred. The data were collected through the convenience sampling method using the researcher’s own social network. The convenience sampling method is classified as a non-random sampling method because individuals from the studied population do not have an equal chance of being selected to be part of the sample. The sample obtained through the convenience sampling methods is made of respondents from the researcher’s social network that were available and were easily recruited to participate in the study. (Gideon, 2012, p.67).

The convenience sampling method offers advantages and limitations. For this master’s thesis research, the convenience sampling method was selected to collect data because it provides, with the help of social network websites, a simple way to obtain a lot of responses in a short period of time and at no cost. Indeed, the convenience sampling method is the least expensive in terms of money and time for the researcher. These two advantages made the convenience sampling the best sampling method for the current study. In addition, the convenience sampling was selected because it allows to include respondents based on their accessibility and proximity to the researcher. However, the convenience sampling method, due to its non-probabilistic form

of sampling, introduces the risk of selecting only people with similar characteristics and background. Convenience sampling convey high risk of a major sampling error. In addition, findings obtained with the help of convenient samples should not be used to make generalizations for the entire population. Nevertheless, the sample error risk can be contained by selecting a sample large enough and if necessary by applying sampling error formulas to the data (Ferber, 1977; Randall et al., 1990).

The data were collected through a self-administered online survey. Before being published the survey was pretested by 8 people. Based on the pretesting feedbacks and comments the vignette-based experiments were adapted. The final survey was made available using the online questionnaire platform Webropol (provided by Aalto University) and shared through Facebook (public posts and personalized messages), Linkedin (public posts) and by contacting people by email. People receiving and completing the survey were asked to further share it to their social networks in order to reach a diverse and sufficient number of participants. The survey was only available online and it was considered sufficient because as argued by Bhutta (2012, p.61): “as the internet penetration continues to increase, web-based samples become increasingly representative of the population of interest”. The convenience sampling method does not allow the researcher to know how many people were asked to fill in the survey and establishing a response rate is made impossible. The survey was first shared on the 13th of February, 2017 and the data collection was closed on the 30th of June, 2017. During that time, data were collected from 202 respondents in total. None of the 202 observations had to be deleted for missing data because all item questions were made mandatory.

3.2.3 Sample size

As above mentioned the external validity of the sample may be limited because the main problems of the convenience sampling method are sample representativeness and selection bias (Baltar and Brunet, 2012). In order to reduce the sample bias induced by the convenience sampling method it is important to select a sample that is big enough to prevent the samples bias. However, convenience sampling methods do not have formulas that define the required sample size. But since there are formulas that calculate the required sample size for the simple random sampling method, these formulas will be used to set the minimum required sample size for this research.

The present study will therefore use Cochran’s (1977) sample size formula, retrieved from Bartlett et al. (2001), for simple random sampling to determine the size of the sample. Cochran’s

(1977) formula is built on two key elements. The first one, the margin of error also described as the error the researcher is willing to accept (Bartlett et al., 2001). The second one, alpha level defined as “the level of acceptable risk the research is willing to accept that the true margin of error exceeds the acceptable margin of error” (Bartlett et al., 2001, p.44-45).

$$n_o = \frac{t^2 * s^2}{d^2}$$

n_o = the sample size required
 t = t-value for the alpha level selected
 s = estimate of standard deviation in the population
 d = acceptable margin of error for mean being estimated

The next step, in determining the required sample size, is to set the values of t , s and d within the equation. The acceptable margin of error for mean being estimated (d) is obtained by the product of the acceptable margin of error with the number of point on the primary scale. The acceptable margin of error must be decided arbitrarily. For educational and social research, the rule is that a margin of error of 3% is acceptable for continuous data (Krejcie and Morgan, 1970). The acceptable margin of error selected is therefore 3%. The number of points on the primary scale is obtained by selecting a variable as the primary variable of measurement (Bartlett et al., 2001). The number of points on its scale is used in then used to calculate the d . The primary variable of measurement in the present study is boycott, the variable is measured through a seven-point scale. The number of points on the primary scale is 7.

Now that d is determined and the acceptable margin of error is selected, it is time to determine the t-value for the alpha level selected (t). The alpha level should also be determined arbitrarily by the researcher. However, most educational and social research studies use an alpha level of either 0.05 or 0.01 (Ary et al., 1996). The present study considers an alpha of 0.05. The t-value for an alpha of 0.05 and a target population exceeding 120 is 1.96 (Bartlett et al., 2001).

To estimate the standard deviation in the population (s), Cochran (1977) has proposed a formula where for s to be obtained “one must determine the inclusive range of the scale, and then divide by the number of standard deviations that would include all possible values in the range” (Bartlett et al., 2001, p.45). The inclusive range of the scale is 7 (the primary variable of measurement is measure through a seven-point scale) and the number of standard deviations that would include all possible values in the range is 6. Three standards deviation on each side of the means would capture 98% of the responses (Bartlett et al., 2001).

$$s = \frac{7 \text{ (number of points on the primary scale)}}{6 \text{ (number of standard deviations)}} \approx 1.1667$$

Now that t , s and d have been determined we can introduce their value in the equation in order to obtain the required size of the sample (n_0).

$$n_0 = \frac{t^2 * s^2}{d^2} = \frac{1.96^2 * 1.1667^2}{(7 * 0.03)^2} \cong 119$$

In this case, Cochran's (1977) equation determines that the minimum number of respondents to be included in the sample for simple random sampling method with continuous data is 119. This sample size of 119 respondents is, here, considered as the minimum required sample size for the convenience sampling method.

3.2.4 Demographics

The data collection resulted in 202 valid responses to the online survey. In total, there were 606 observations as all respondents answered questions regarding the three different vignettes. The demographic characteristics of the respondents are summarized in Table 4. More than half of the respondents, 67,3%, represent younger generation being 30 years old or below that. In addition, majority of the respondents (61,9%) were female. The educational background of 16,8% of the respondents was upper secondary or lower. Almost half of the respondents have a master's degree (49,5%) and a third (32,7%) of the respondents have a bachelor's degree as their highest level of education. Considering the convenient sampling method, it is not surprising because the pool of respondents represents researcher's social network.

Table 4. Demographic characteristics of the sample

	N of respondents (n=202)	%	Cumulative %
Gender			
Male	77	38,1	38,1
Female	125	61,9	100,0
Age			
18-19	7	3,5	3,5
20-24	51	25,2	28,7
25-29	78	38,6	67,3
30-34	9	4,5	71,8
35-39	10	5,0	76,7
40-44	8	4,0	80,7
45-49	13	6,4	87,1
50-54	10	5,0	92,1
55-59	8	4,0	96,0
60-64	6	3,0	99,0
>65	2	1,0	100,0
Education			
Primary School	1	0,5	0,5
Lower secondary	5	2,5	3,0
Upper secondary	28	13,9	16,8
Bachelor	66	32,7	49,5
Master	100	49,5	99,0
PhD	1	0,5	99,5
Other	1	0,5	100,0

3.3 Measures

This section presents the measures (Table 5) and gives details about their operationalization. Most of the variables were measured using a seven-point scale with extremities labelled with an intensity stimulus (e.g. strongly disagree – strongly agree) (Petersen, 2000). An odd number was selected to construct the scales in order to allow the respondents to have a neutral/indifferent opinion (Petersen, 2000).

Table 5. Constructs and items measured

Construct	Items	Adapted from
Organizational identification	OI1 I am proud of the success of Brand X	Mael and Ashforth (1992)
	OI2 I am interested in what others think about Brand X	
	OI3 When someone praises Brand X, it feels like a compliment	
	OI4 If a story in the media criticized Brand X, I would feel embarrassed	
	OI5 When someone criticizes Brand X, it feels like an insult	
Perceived Corporate social irresponsibility	PCSI1 Brand X is not aware of social issues	Currás-Pérez et al. (2009)
	PCSI2 Brand X does not fulfil its social responsibilities	
	PCSI3 Brand X does not give back to society	
	PCSI4 Brand X does not act in a socially responsible way	
	PCSI5 Brand X sources products from suppliers that do not respect the workers' rights	
Responsibility attribution	RA1 Brand X is responsible for the accident	Hartmann and Moeller (2014) Klein and Dawar (2004)
	RA2 Brand X is careless	
	RA3 The accident is the fault of Brand X	
	RA4 Brand X is to blame for the accident	
	RA5 Brand X should be accountable for the accident	
Anger	AN1 As a customer of Brand X, I would be angry	Crossley (2009)
	AN2 As a customer of Brand X, I would be enraged	
	AN3 As a customer of Brand X, I would be offended	
Boycott	BO1 Following the accident, as a customer, I would do something to harm Brand X	Hartmann and Moeller (2014)
	BO2 Following the accident, as a customer, I would do something to make Brand X pay for the accident	
	BO3 Following the accident, as a customer, I would boycott Brand X	
	BO4 Following the accident, as a customer, I would stop buying products from Brand X	

Organizational identification

Customers' organizational identification with the focal MNE brand was measured through a 5-item-construct developed by Mael and Ashforth (1992). The construct was selected because it fitted the present study and because it is the most reliable and the most used through previous studies attempting to measure organizational identification (Bergami and Bagozzi, 2000; Bhattacharya et al., 1995; Bhattacharya and Sen, 2003; Kim et al., 2001; Mael and Ashforth, 1992). However, the construct originally comprised of 6 items but 1 item was removed because it did not make sense for the present study. The items in the construct were measured using a seven-point scale (1= strongly disagree; 7= strongly agree). The Cronbach's alphas for this construct are 0,847 for the ZARA vignette; 0,887 for the C&A vignette and 0,822 for the H&M vignette.

Perceived corporate social irresponsibility

Customer perceived corporate social irresponsibility was measured through a 5-item-construct. A 4-item-construct measuring the perceived CSR image (Currás-Pérez et al., 2009) was selected, reversed and adapted to become a perceived corporate social irresponsibility measurement construct. In addition to that, one item was added to the original construct in order to capture the supply chain perspective. The items of the construct were measured using a seven-point scale (1= strongly disagree; 7= strongly agree). The Cronbach's alphas for this construct are 0,892 for the ZARA vignette; 0,917 for the C&A vignette and for the 0,796 H&M vignette.

Responsibility attribution

The responsibility attribution construct was built by merging two constructs from Hartmann and Moeller (2014) and from Klein and Dawar (2004). It was decided to merge the two constructs because they completed each other. From the merger results a 5-item-construct measuring responsibility attribution. The items of the construct were measured using a seven-point scale (1=strongly disagree; 7= strongly agree). The Cronbach's alphas for this construct are 0,926 for the ZARA vignette; 0,951 for the C&A vignette and 0,914 for the H&M vignette.

Anger

Customers' anger was measured through a 3-item-construct adapted from Crossley (2009). The items of the construct were measured using a seven-point scale (1= strongly disagree; 7= strongly agree). The Cronbach's alphas for this construct are 0,912 for the ZARA vignette; 0,940 for the C&A vignette and 0,928 for the H&M vignette.

Boycott

Customers' boycott was measured using a 4-item-construct adapted from Hartmann and Moeller (2014). The items of the construct were measured using a seven-point scale (1= strongly disagree; 7= strongly agree). The Cronbach's alphas for this construct are 0,920 for the ZARA vignette; 0,928 for the C&A vignette and 0,891 for the H&M vignette.

Control variables

As it was mentioned in the data collection subchapter, this master's thesis data are collected through a survey using a convenience sampling method. However, according to Fink (2003, p.27): "the best way to avoid selection bias is to use probability sampling methods. If you cannot, you must demonstrate that the target population and the sample do not differ statistically on selected but important variables, such as age, health status, and education". In addition to defining a minimum sample in order to improve the chances of the sample to be representative of the studied population, personal data were collected from respondents. Data such as age, gender and education level. The data were collected through control variables to statistically demonstrate that the samples obtained represent the target population. Special attention will be given to the impact of gender on perceived corporate social irresponsibility because according to Wagner et al. (2008) women are more sensitive to CSI than men. Additionally, Laufer and Gillespie (2004) argue that, when confronted to the same situation, women attribute more responsibility than men and that younger consumers attribute more responsibility than older ones. Therefore, the current study will control for the impact of respondents' gender and age on responsibility attribution.

Respondents were also asked to communicate their Belgian zip code at the end of the survey in order to ensure that a majority of them is not located in the same region or area. The zip code also limits respondents outside Wallonia to fill in the survey, indeed respondents filling in a wrong zip code were excluded from the sample. As explained by Fink (2003, p.1) "survey samples are not meaningful in themselves. The importance of a sample lies in the accuracy with which it represents or mirrors the target population".

3.4 Statistical analysis method

The statistical analysis method used for this research is a two-step, covariance-based structural equation modeling (SEM). The structural equation modeling was selected because it can examine multiple dependent relationships at the same time. The SEM method is applicable to study complex consumer behaviour. The first step of SEM is to run a factor analysis to test the

validity of the measurement model and the second is the evaluation of the hypotheses with a structural model by examining how the constructs are associated with each other. (Hair et al., 2010). Because the constructs included in the model were adapted from previous research and because constructs from previous research were combined to create new constructs an exploratory factor analysis is required prior to the CFA to assess the structure among the variable in the analysis. The data analysis was performed using SPSS 24.0 and AMOS 24.0 software.

3.4.1 Factor Analysis

The factor analysis is a data reduction technique that has for objective the identification of relationships between the variables and then the production of clusters regrouping some variables together. The relationships between variables are examined by measuring the correlations coefficients. Correlating variables are regrouped into clusters because it might measure the same underlying characteristics. Those clusters of variables are called factors. (Field, 2009; Hair et al., 2010). The advantage of factor analysis through data reduction is that it facilitates the analysis because the number of variables in factors are reduced (Hair et al., 2010). The factor analysis can be exploratory or confirmatory.

The Exploratory factor analysis (EFA) is a technique used to discover the composition of latent constructs (Field, 2009). The EFA identifies the number of factors and measures the strength of the relationships between items included in factors and the strength of the relationships between factors. Because the current study had adapted and mixed some previously tested construct, an EFA will be performed on the data.

3.4.2 Structural equation modeling

The SEM is useful to test research model that have multiple equations with dependence relationships (Hair et al., 2010). In the current study, there is a theoretically defined dependence relationship between responsibility attribution, anger and boycott. Responsibility attribution and anger are simultaneously independent and dependent variables. As explained by Hair et al. (2010, p. 628): “a hypothesised dependent variable becomes an independent variable in a subsequent dependence relationship.” The structural model determines the causal relationship between the independent and the dependent variables also respectively referred to as exogenous and endogenous variables (Gefen and al., 2000). The structural model evaluates the hypotheses that are defined in the research model. When the software is run, the relationship between the exogenous and endogenous variables are assessed as well as its significance.

3.5 Trustworthiness of the study

To ensure statistically sound results in SEM, Gefen et al. (2000) and Ding et al. (1995) recommend 100 to 150 observations to be the minimal sample size to conduct a structural equation modeling analysis. The sample size for this study is 202 observations and meets the recommended sample size. In addition, the current study faced validity challenge as the items in the constructs necessitated to be translated from English to French. The translation was done carefully by selecting the words wisely to convey the same meaning in French as the English items did. Back translation was then performed on the French translated items to ensure that the translation was optimal (Harkness et al., 2004). The vignette-based experiments were originally conceived in French and were the translated into English only to be included in this document.

Podsakoff et al. (2003) argue that research with sensitive topics such as reactions to firm CSI are subject to social desirability bias. The current study is subject to social desirability bias because respondents were asked to evaluate their own causal inferences, emotion and behaviour for an MNE's supplier irresponsible behaviour. Social desirability is a source of error to survey when respondents believe that some answers are more desirable than others (Malhotra & Birks, 2000). Therefore, respondents' answers may not represent the reality but are biased by the idea that some answers are more desirable.

As abovementioned (see 3.2.2) the current study collected data through a convenience sampling method. However, the convenience sampling method, due to its non-probabilistic form of sampling, introduces the risk of selecting only people with similar characteristics and background. Convenience sampling convey high risk of a major sampling error. In addition, findings obtained with the help of convenient samples should not be used to make generalizations for the entire Walloon population. The sample error risk can be contained by selecting a sample large enough. The present sample is slightly biased towards young female and people in possession of a master's degree. However, the data collected fulfils the criteria for the current study. The exploratory factor analysis results and the structural equation modeling results are discussed in the next chapter.

4. Empirical Findings

This chapter presents trends in the empirical data, summarizes the results of the exploratory factor analysis and tests the hypotheses with structural equation modeling.

4.1 Descriptive statistics

The mean of organizational identification was low (between 2,87 and 3,05) indicating that most respondents did not identify with the three brands included in the experiments. On average, respondents perceived ZARA (4,40) and H&M (4,70) as exhibiting more CSI than C&A (4,14) but their perceptions are somewhere between neutral (4) and somewhat negative (5). The mean of the responsibility attribution was neither low nor high (between 3,91 and 4,48) indicating low responsibility attribution levels or slightly no attribution. The mean of the boycott intentions was rather low (between 3,46 and 3,19) indicating that consumers have no intentions to boycott the fast fashion MNEs. Table 6 summarizes per experiments the means and standard deviation associated with the measures.

Table 6. Descriptive statistics per experiments

	ZARA		C&A		H&M	
	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
Organizational identification	3,05	1,09	2,99	1,14	2,87	1,08
Perceived corporate social irresponsibility	4,40	0,92	4,14	0,89	4,70	0,95
Responsibility attribution	4,48	1,30	3,91	1,41	4,08	1,22
Anger	4,07	1,49	3,64	1,63	4,08	1,44
Boycott	3,46	1,41	3,19	1,43	3,19	1,35

4.2 Exploratory factor analysis

In order to perform the EFA, the independent and dependent variables must be analysed separately and it is suggested that each construct be composed of at least 4 items (Hair et al., 2010). However, constructs with three items are sometimes tolerated (Hair et al., 2010). One construct, anger, had only three items but all the other constructs included in the EFA had more than 3 items. Following those rules, the independent variables were analysed together. However, the independent variables derived from the experimental manipulations were not included in the EFA because each only included one item. Therefore, the EFA was run on the organizational identification construct and the perceived corporate social irresponsibility construct. Three other separate EFA were run on the responsibility attribution construct, the anger construct and the boycott construct. The boycott construct is made of dependent variables and should therefore be analysed in a separate EFA (Hair et al., 2010). The responsibility attribution construct and the anger construct are simultaneously independent and dependent variables because it belongs to a structural path (Hair et al., 2010). In the assumed relationships of hypothesis 1 to hypothesis 7, responsibility attribution is a dependent variable because it is assumed to depend on the dimensions of causal attribution and the consumer attitude. However, in the assumed relationships of hypothesis 8, responsibility attribution is now an independent variable because it is assumed to influence anger. Similarly, in the assumed relationships of hypothesis 8, the anger construct is a dependent variable because it is assumed to depend on responsibility attribution. However, in the assumed relationships of hypothesis 9, anger is an independent variable because it is assumed to influence boycott. Therefore, the responsibility attribution construct and the anger construct were also analysed in separate EFAs.

In order to perform the EFA, 202 observations were available per vignette. However, correlation coefficients are sensitive to the sample size and correlation coefficients oscillate more in small samples than in large samples. The sample size impacts the reliability of the factor analysis (Field, 2009). Therefore, measures of sample adequacy for the final factor analysis will be considered as suggested by Field (2009). The EFA and related analysis were performed in IBM SPSS 24.0. To determine the adequate sample size to perform an EFA, Kass and Tinsley (1979) recommend to have 5 to 10 respondents per variable. To perform the EFA, the current study has 202 respondents for 22 variables which is a respondent to variable ratio over 9:1. The ratios falls into the recommendation of Kass and Tinsley (1979).

Finally, another alternative to control for the sample size effect is to use the KMO measure. (Field, 2009). The Kaiser-Meyer-Olkin measure is a measure of sampling adequacy. As explained by Field (2009, p.647) the KMO: “represents the ratio of the squared correlation between variables to the squared partial correlation between variables”. The KMO statistic fluctuate between 0 and 1, values close to 0 suggest that the factor analysis will probably produce incorrect results and values close to 1 suggest that the factor analysis results are reliable (Field, 2009). The minimum recommended threshold for the KMO value is 0,5 (Kaiser, 1974). As detailed by Field (2009) KMO values between 0,5 and 0,7 are considered mediocre, values between 0,7 and 0,8 are considered good and values above 0,8 are considered great.

The correlation matrix output in SPSS consists of the Pearson correlation coefficients between each item included in the constructs and the significance levels of those coefficients. Field (2009) highlights the importance of considering the variables intercorrelation when performing a factor analysis because correlations between items that are not high enough and correlations between items that are too high are source of problems. Field (2009) recommends to exclude items for which numerous correlation coefficients are below 0,3 and to exclude items for which the correlation coefficients are above 0,9 because they are a source of multicollinearity. Table 7, Table 8 and Table 9 present the correlation coefficients and related significance levels for each vignette data. The correlation coefficients produced by the three vignettes data are difficult to interpret because one vignette data may suggest to remove one item but the other two might suggest to keep it. As highlighted by Field (2009), the correlation matrix analysis is a subjective approach and each item should be considered carefully before being excluded. To assess whether the overall correlations between the variables are significant the Bartlett’s test of sphericity can be used (Field, 2009). If the Bartlett’s test is significant it indicates overall correlations between the variables are significant. If it is not significant, it is a cause of concern (Field et al., 2009). As explained by Field (2009, p.648), “a significant test does not necessarily mean that correlations are big enough to make the analysis meaningful”. However, a non-significant test is definitely a problem. The three vignettes data produced a significant Bartlett’s test.

Table 7. Correlation matrix for ZARA

Item	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1. OI1 I am proud of the brand successes	1,000									
2. OI2 Interested in other's opinion about the MNE brand	0,462 ***	1,000								
3. OI3 It feels like a compliment	0,479 ***	0,542 ***	1,000							
4. OI4 I would feel embarrassed	0,337 ***	0,420 ***	0,742 ***	1,000						
5. OI5 It feels like an insult	0,328 ***	0,409 ***	0,763 ***	0,830 ***	1,000					
6. PCSI1 Not aware of social issues	-0,088	0,061	0,056	0,082	0,113 *	1,000				
7. PCSI2 Does not fulfil social responsibilities	-0,304 ***	-0,085	-0,151 **	-0,085	-0,094 *	0,459 ***	1,000			
8. PCSI3 Does not give back to society	-0,330 ***	-0,083	-0,164 **	-0,145 **	-0,086	0,454 ***	0,766 ***	1,000		
9. PCSI4 Does no act in a socially responsible way	-0,364 ***	-0,112 *	-0,201 ***	-0,140 **	-0,127 **	0,375 ***	0,855 ***	0,812 ***	1,000	
10. PCSI5 Suppliers do not respect the workers' rights	-0,255 ***	-0,039	-0,133 **	-0,141 **	-0,147 **	0,406 ***	0,770 ***	0,649 ***	0,830 ***	1,000

*** Correlation significant at the 0,01 level

** Correlation significant at the 0,05 level

* Correlation significant at the 0,1 level

Table 8. Correlation matrix for C&A

Item	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1. OI1 I am proud of the brand successes	1,000									
2. OI2 Interested in other's opinion about the MNE brand	0,546 ***	1,000								
3. OI3 It feels like a compliment	0,536 ***	0,640 ***	1,000							
4. OI4 I would feel embarrassed	0,437 ***	0,523 ***	0,801 ***	1,000						
5. OI5 It feels like an insult	0,423 ***	0,522 ***	0,831 ***	0,887 ***	1,000					
6. PCSI1 Not aware of social issues	-0,202 ***	-0,108 **	-0,041	-0,110 *	-0,076	1,000				
7. PCSI2 Does not fulfil social responsibilities	-0,194 ***	-0,026	-0,063	-0,097 *	-0,134 **	0,526 ***	1,000			
8. PCSI3 Does not give back to society	-0,189 ***	0,004	-0,075	-0,111 *	-0,077	0,498 ***	0,810 ***	1,000		
9. PCSI4 Does no act in a socially responsible way	-0,187 ***	-0,063	-0,102 *	-0,151 **	-0,138 **	0,485 ***	0,893 ***	0,822 ***	1,000	
10. PCSI5 Suppliers do not respect the workers' rights	-0,244 ***	-0,132 **	-0,125 **	-0,152 **	-0,165 **	0,496 ***	0,816 ***	0,751 ***	0,871 ***	1,000

*** Correlation significant at the 0,01 level

** Correlation significant at the 0,05 level

* Correlation significant at the 0,1 level

Table 9. Correlation matrix for H&M

Item	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1. OI1 I am proud of the brand successes	1,000									
2. OI2 Interested in other's opinion about the MNE brand	0,358 ***	1,000								
3. OI3 It feels like a compliment	0,498 ***	0,525 ***	1,000							
4. OI4 I would feel embarrassed	0,389 ***	0,402 ***	0,648 ***	1,000						
5. OI5 It feels like an insult	0,352 ***	0,367 ***	0,652 ***	0,704 ***	1,000					
6. PCSI1 Not aware of social issues	0,038	0,044	-0,040	-0,010	-0,052	1,000				
7. PCSI2 Does not fulfil social responsibilities	-0,353 ***	-0,011	-0,231 ***	-0,147 **	-0,213 ***	0,343 ***	1,000			
8. PCSI3 Does not give back to society	-0,351 ***	-0,078	-0,296 ***	-0,192 ***	-0,248 ***	0,220 ***	0,652 ***	1,000		
9. PCSI4 Does no act in a socially responsible way	-0,306 ***	-0,030	-0,295 ***	-0,185 ***	-0,303 ***	0,127 **	0,622 ***	0,625 ***	1,000	
10. PCSI5 Suppliers do not respect the workers' rights	-0,215 ***	0,050	-0,104 *	-0,034	-0,128 **	0,221 ***	0,588 ***	0,598 ***	0,593 ***	1,000

*** Correlation significant at the 0,01 level

** Correlation significant at the 0,05 level

* Correlation significant at the 0,1 level

A factor analysis was performed on the data of the ZARA, C&A and H&M vignettes by using the principal components analysis (PCA) (Field, 2009). The PCA is useful to identify the ideal number of factors to be extracted from the data and to identify the items that did emerged as expected (Field, 2009; Matsunaga, 2010). As explained by Matsunaga (2010, p.99), “the PCA provides an effective tool to reduce a pool of items into a smaller number of components with as little a loss of information as possible”. The PCA determines whether the items used to measure the organizational identification (OI), the perceived corporate social irresponsibility (PCSI), the responsibility attribution (RA), the anger (AN) and the boycott (BO) actually represent those constructs/concepts (Long, 1983).

The rotated factor solution was considered for the analysis of OI and PCSI (Field, 2009). Because the three others separate PCA performed for RA, AN and BO only extracted one factor, the rotated factor solution was not needed and therefore not produced by SPSS 24.0. The rotated factor solution is useful because the rotation maximizes the loading of each variable on one of the extracted factors but also minimizes the loadings on other factors (Field, 2009). In order to determine the number of factors that should be extracted from a set of variables it is necessary to look at the eigenvalues. The Kaiser criterion stipulates that each factor with an eigenvalue larger than 1,0 should be extracted (Field, 2009). The initial rotated factor solution for each of the three vignettes data is summarized in Table 10, Table 11 and Table 12. Table 10, 11 and 12 only shows factor loadings greater than 0,5. Stevens (2009) recommends that when the number of cases included in the PCA is around 100 or above, factor loadings of 0,5 or greater than 0,5 are significant and that factor loadings below that threshold should not be considered because of its potential non-significance. Accordingly, Matsunaga (2010) argues the threshold of 0,5 is common in social scientific studies.

The initial analysis of the rotated factor solutions highlighted one problem: no factor loading above the threshold value of 0,5 (Stevens, 2009) were produced for the PCSI1 item in the H&M data (see Table 10). Considering the results of the initial PCA results, it was decided to excluded PCSI1 from the H&M data. Building from Netermeyer et al. (1991), in order to ensure comparability and validity of the results across all vignettes data, if an item was removed from one vignette data it has to be removed from the other two. Therefore, PCSI1 was also removed from the ZARA data and the C&A.

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Table 12. Rotated Component Matrix ZARA

Item	Component	
	1	2
OI1	0,574	-
OI2	0,683	-
OI3	0,903	-
OI4	0,873	-
OI5	0,878	-
PCSI1	-	0,611
PCSI2	-	0,915
PCSI3	-	0,871
PCSI4	-	0,922
PCSI5	-	0,862

Extraction Method: Principal

Component Analysis

Rotation Method: Varimax with Kaiser

Normalization.

a. Rotation converged in 3 iterations.

Table 11. Rotated Component Matrix C&A

Item	Component	
	1	2
OI1	0,656	-
OI2	0,764	-
OI3	0,927	-
OI4	0,892	-
OI5	0,898	-
PCSI1	-	0,650
PCSI2	-	0,937
PCSI3	-	0,898
PCSI4	-	0,941
PCSI5	-	0,904

Extraction Method: Principal

Component Analysis

Rotation Method: Varimax with Kaiser

Normalization.

a. Rotation converged in 3 iterations.

Table 10. Rotated Component Matrix H&M

Item	Component	
	1	2
OI1	0,607	-
OI2	0,695	-
OI3	0,864	-
OI4	0,835	-
OI5	0,803	-
PCSI1	-	-
PCSI2	-	0,850
PCSI3	-	0,814
PCSI4	-	0,789
PCSI5	-	0,824

Extraction Method: Principal

Component Analysis

Rotation Method: Varimax with Kaiser

Normalization.

a. Rotation converged in 3 iterations.

After the exclusion of the problematic item, the factor analysis was performed again on the newly reduced set of variables. The second iteration of the PCA yielded the expected results, all items loaded significantly on only one factor and across the vignette data the same items loaded on the same factors. Two factors were extracted one including the items of the OI construct and the other including the remaining items the PCSI constructs. The results of the final rotated factor solution can be found in Table 13. The rotated factor solutions of the three vignettes data are summarized in one table to demonstrate that the PCA ended with the same conclusions for the ZARA, the C&A and the H&M set of variables. The items with consistent factor loadings across the three vignettes are: OI1, OI2, OI3, O4 and OI5 for organizational identification and PCSI2, PCSI3, PCSI4 and PCSI5 for perceived corporate social irresponsibility.

The Keiser-Meyer-Olkin measure of sampling adequacy was computed and reported for the three vignettes data (see Table 13). The minimum recommended threshold for the KMO value is 0,5 (Kaiser, 1974). As detailed by Field (2009) KMO values between 0,5 and 0,7 are considered mediocre, values between 0,7 and 0,8 are considered good and values above 0,8 are considered great. The final KMO values for each vignette data are respectively of 0,815 for the ZARA vignette, of 0,806 for the C&A vignette and of 0,837 for the H&M vignette. KMO values for the three vignettes are considered great which indicate that the EFA produced valid results across the three vignettes data. In addition, the Bartlett's tests of sphericity were significant across the three vignettes.

Table 13. Results of the final factor analysis for OI and PCSI per vignette

Item	Component					
	1			2		
	ZARA	C&A	H&M	ZARA	C&A	H&M
OI1	0,558	0,658	0,579	-	-	-
OI2	0,685	0,765	0,704	-	-	-
OI3	0,903	0,927	0,859	-	-	-
OI4	0,875	0,892	0,837	-	-	-
OI5	0,879	0,897	0,800	-	-	-
PCSI2	-	-	-	0,925	0,943	0,844
PCSI3	-	-	-	0,877	0,906	0,832
PCSI4	-	-	-	0,951	0,957	0,822
PCSI5	-	-	-	0,878	0,913	0,833
Eigenvalue	3,976	4,028	3,783	2,619	2,978	2,170
% of variance explained	44,17	44,75	42,03	29,10	33,09	24,11
Cumul var. explained	44,17	44,75	42,03	73,27	77,84	66,140
Cronbach's alpha	0,847	0,887	0,822	0,932	0,950	0,863
KMO ZARA	0,815	-	-			
KMO C&A	-	0,806	-			
KMO H&M	-	-	0,837			
Bartlett's test sign. ZARA	0,000	-	-			
Bartlett's test sign. C&A	-	0,000	-			
Bartlett's test sign. H&M	-	-	0,000			
N ZARA	202	-	-			
N C&A	-	202	-			
N H&M	-	-	202			

The extraction of the factors resulted in two factors extracted based on the Kaiser criterion that suggest that a factor should be extracted for each eigenvalue greater than one (Field, 2009). The factor analysis confirmed the dimension of organizational identification (OI) and the dimension of perceived corporate social irresponsibility (PCSI). OI had factor loadings ranging from 0,558 and 0,903 for ZARA, from 0,658 to 0,927 for C&A and from 0,579 to 0,859 for H&M. PCSI had factor loadings ranging from 0,877 and 0,951 for ZARA, from 0,906 to 0,957 for C&A and from 0,822 to 0,844 for H&M. Together these factors accounted for 73,27% of the variance, 77,84% of the variance and 66,14% of the variance for ZARA, C&A and H&M respectively. The factor loadings are consistent across the three vignettes. The Cronbach's alphas of the OI

measure were 0,847; 0,887 and 0,822 for ZARA, C&A and H&M respectively and indicated a high reliability of the boycott measure because it is beyond the recommended level of 0,7 (Nunnally, 1978). The Cronbach's alphas of the PCSI measure were 0,932; 0,950 and 0,863 for ZARA, C&A and H&M respectively indicated a high reliability of the boycott measure because it is beyond the recommended level of 0,7 (Nunnally, 1978).

A factor analysis was performed on the responsibility attribution measures because it was also combined into one construct for the final analysis. The final results of the factor analysis for the responsibility attribution measures are summarized in Table 14. For the three vignettes data, the five items included in the responsibility attribution construct loaded on only one factor as expected. All items had significant factor loadings (greater than 0,5) ranging from 0,773 to 0,918 in the ZARA data, from 0,869 to 0,946 in the C&A data and from 0,810 to 0,891 in the H&M data. The KMO was 0,860 for ZARA; 0,889 for C&A and 0,876 for H&M. The Bartlett's test of sphericity was significant for ZARA, C&A and H&M. The Cronbach's alphas of 0,926; 0,951 and 0,914 for ZARA, C&A and H&M respectively indicated a high reliability of the responsibility attribution measure.

Table 14. Results of the factor analysis for responsibility attribution

Item	Component		
	ZARA	C&A	H&M
RA1	0,891	0,926	0,883
RA2	0,773	0,869	0,810
RA3	0,910	0,896	0,854
RA4	0,918	0,946	0,891
RA5	0,892	0,939	0,872
Eigenvalue	3,857	4,191	3,719
% of variance explained	77,13	83,81	83,22
Cronbach's alpha	0,926	0,951	0,914
KMO	0,860	0,889	0,876
Bartlett's test sign.	0,000	0,000	0,000
N	202	202	202

A factor analysis was performed on the anger measures because it was also combined into one construct for the final analysis. The final results of the factor analysis for the anger measures are summarized in Table 15. For the three vignettes data, the 3 items included in the anger construct loaded on only one factor as expected. All items had significant factor loadings (greater than 0,5) ranging from 0,872 to 0,958 in the ZARA data, from 0,924 to 0,963 in the C&A data and from 0,912 to 0,955 in the H&M data. The KMO was 0,694 for ZARA; 0,742 for C&A and 0,741 for H&M. The Bartlett's test of sphericity was significant for ZARA, C&A and H&M. The Cronbach's alphas of 0,912; 0,940 and 0,928 for ZARA, C&A and H&M respectively indicated a high reliability of the anger measure.

Table 15. Results of the factor analysis for anger

Item	Component		
	ZARA	C&A	H&M
AN1	0,936	0,947	0,938
AN2	0,958	0,963	0,955
AN3	0,872	0,924	0,912
Eigenvalue	2,556	2,677	2,624
% of variance explained	85,18	89,25	87,46
Cronbach's alpha	0,912	0,940	0,928
KMO	0,694	0,742	0,741
Bartlett's test sign.	0,000	0,000	0,000
N	202	202	202

A factor analysis was performed on the boycott measures because it was also combined into one construct for the final analysis. The final results of the factor analysis for the boycott measures are summarized in Table 16. For the three vignettes data, the 4 items included in the boycott construct loaded on only one factor as expected. All items had significant factor loadings (greater than 0,5) ranging from 0,879 to 0,914 in the ZARA data, from 0,901 to 0,919 in the C&A data and from 0,854 to 0,958 in the H&M data. The KMO was 0,747 for ZARA; 0,729 for C&A and 0,726 for H&M. The Bartlett's test of sphericity was significant for ZARA, C&A and H&M. The Cronbach's alphas of 0,920; 0,928 and 0,891 for ZARA, C&A and H&M respectively indicated a high reliability of the boycott measure.

Table 16. Results of the factor analysis for boycott

Item	Component		
	ZARA	C&A	H&M
BO1	0,879	0,901	0,871
BO2	0,908	0,915	0,854
BO3	0,914	0,905	0,906
BO4	0,903	0,919	0,958
Eigenvalue	3,248	3,313	3,045
% of variance explained	81,19	82,81	76,13
Cronbach's alpha	0,920	0,928	0,891
KMO	0,747	0,729	0,726
Bartlett's test sign.	0,000	0,000	0,000
N	202	202	202

Correlations of variables

The correlation matrices of the variables for each of the vignette experiment are shown in Table 17, Table 18 and Table 19 and can be found at the end of this section. The matrices contain the hypothesised independent and dependent variables and the control variables. Before testing the hypothesis, there are some interesting correlations that need to be commented on.

In Table 17, the experimental manipulation organizational distance does not seem to be associated with higher levels of responsibility attribution. Contrary to what was expected, in Table 18, the experimental manipulation supplier criticality does not seem to be associated with higher levels of responsibility attribution. However, in Table 18 still, the experimental manipulation company vs individual correlate as expected with responsibility attribution. The current study has hypothesised that customers would attribute more responsibility to fast fashion MNEs for social irresponsible supplier behaviour when the supplying company, rather than an individual worker within the supplying company, caused the irresponsible behaviour. The correlation between these two variables is line with the expectations and it is likely that the relationship is to be found significant between these two variables. In Table 19, contrarily to what was expected, it seems that higher incident outcome severity is not associated with higher responsibility attribution by consumers. Indeed, the matrix has not produced a significant correlation between severity and responsibility attribution. It is unlikely that the hypothesis testing lead to a significant relationship between the experiment manipulation severity and responsibility attribution. In table 19 can also be found the correlation between the experimental manipulation involving the supplier safety management system and responsibility attribution.

As it was expected, the dysfunctional supplier safety management system is associated with higher responsibility attribution.

Across all vignette and therefore across the three correlation matrices, it seems that organizational identification is not correlated with responsibility attribution. However, as it was expected, the matrices reveal that higher levels of perceived corporate social irresponsibility are associated with higher levels of responsibility attribution. Furthermore, the hypothesised consumer reaction process to supply chain incidents seems likely to result in significant relationships among the different variables included in the process because as expected higher consumer responsibility attribution is associated with higher consumer anger and higher consumer anger is associated with higher consumer boycott (see Table 17, Table 18 and Table 19).

Across the three vignettes, the control variables seem to have changing correlations. For example, female respondents are associated with higher perceived corporate social irresponsibility in the H&M vignette data (Table 19) but not in the ZARA (Table 17) and C&A vignette data (Table 18). Whether there is a significant relationship between female respondents and higher perceived corporate responsibility attribution will be assessed in the next section.

Table 17. Correlation matrix of the variables for the ZARA data

Variable	1.	2.	3.	4.	5.	6.	7.	8.	9.
1. Organizational distance	1,000								
2. Organizational identification	0,007	1,000							
3. Perceived CSI	0,055	-0,217 ***	1,000						
4. Responsibility attribution	-0,060	-0,015	0,376 ***	1,000					
5. Anger	-0,020	0,052	0,222 ***	0,599 ***	1,000				
6. Boycott	0,057	0,103 *	0,221 ***	0,491 ***	0,781 ***	1,000			
7. Gender	0,052	0,003	0,082	0,031	0,065	0,006	1,000		
8. Age	0,006	0,039	-0,116 *	0,011	0,104 *	0,130 **	-0,090	1,000	
9. Education	-0,028	-0,192 ***	0,008	-0,080	-0,017	-0,094 *	-0,019	-0,243 ***	1,000

*** Correlation significant at the 0,01 level

** Correlation significant at the 0,05 level

* Correlation significant at the 0,1 level

Table 18. Correlation matrix of the variables for the C&A data

Variable	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1. Supplier criticality	1,000									
2. Company vs. Individual	-0,078	1,000								
3. Organizational identification	0,024	-0,051	1,000							
4. Perceived CSI	0,121 **	-0,092 *	-0,153 **	1,000						
5. Responsibility attribution	-0,038	0,196 ***	-0,069	0,365 ***	1,000					
6. Anger	-0,113 *	0,162 **	0,100 *	0,286 ***	0,687 ***	1,000				
7. Boycott	-0,100 *	0,138 **	0,134 **	0,302 ***	0,611 ***	0,830 ***	1,000			
8. Gender	-0,046	-0,042	0,041	0,085	0,053	0,046	0,083	1,000		
9. Age	-0,017	0,001	0,218 ***	-0,111 *	0,030	0,113 *	0,107 *	-0,090	1,000	
10. Education	-0,062	0,071	-0,272 ***	0,006	-0,044	-0,085	-0,107 *	-0,019	-0,243 ***	1,000

*** Correlation significant at the 0,01 level

** Correlation significant at the 0,05 level

* Correlation significant at the 0,1 level

Table 19. Correlation matrix of the variables for the H&M data

Variable	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1. Severity	1,000									
2. Safety Management Sytem	-0,139 **	1,000								
3. Organizational identification	0,014	-0,002	1,000							
4. Perceived CSI	0,037	-0,017	-0,270 ***	1,000						
5. Responsibility attribution	0,007	0,167 ***	-0,113 *	0,273 ***	1,000					
6. Anger	-0,034	0,110 *	-0,001	0,380 ***	0,594 ***	1,000				
7. Boycott	-0,001	0,038	-0,078	0,370 ***	0,512 ***	0,699 ***	1,000			
8. Gender	-0,059	-0,031	0,065	0,145 **	0,044	0,080	0,019	1,000		
9. Age	-0,103 *	0,049	0,071	-0,143 **	0,106 **	0,131 **	0,163 **	-0,090	1,000	
10. Education	0,015	0,035	-0,141 **	0,057	-0,015	-0,076	-0,078	-0,019	-0,243 ***	1,000

*** Correlation significant at the 0,01 level

** Correlation significant at the 0,05 level

* Correlation significant at the 0,1 level

4.3 Hypothesis testing

After the constructs were confirmed appropriate for the three models through the EFA, the hypotheses were tested using structural equation modeling with AMOS 24.0 software. Three structural equation models were developed to test the hypotheses, one for each vignette. The experimental manipulations were set as independent variable in each model. Prior to the analysis of the causal model and the hypothesis testing, it is necessary to establish that the model fit is good. At the end of this chapter, Table 20 and Figure 6 summarizes the results of the structural equation modeling for each model.

The goodness of fit of the causal models is assessed through various indices: the chi square (χ^2), the degree of freedom (df), the RMSEA and the CFI. Table 20 summarizes the goodness of fit measures per structural model. The first measure of fit to be considered is the chi square to degree of freedom ratio: χ^2/df , the ratio assesses the magnitude of discrepancy between the sample and fitted covariance (Hair et al., 2010). Values between 1.0 and 5.0 for chi square to degree of freedom ratio indicates good model fit (Hair et al., 2010). The χ^2/df is a good measure of fit for models between 75 to 200 cases. However, the χ^2 is highly sensitive to the sample size and models with more than 400 cases almost always produce a significant χ^2 . The current causal models contain 202 cases each, the sample size should not be impacting the goodness of fit conclusions drawn from the χ^2/df . The χ^2 is also influenced by the correlations in the model, large correlations may cause poor fit according to the χ^2 . The chi square to degree of freedom ratio is also referred to CMIN in AMOS 24, this notation will be used in the current study. Because the CMIN is affected by the sample size and the covariance, other measures of fit are taken into consideration.

The root mean square error of approximation “estimates the amount of error of approximation per model degree of freedom and takes the sample size into account” (Kline, 2005, P.139). The RMSEA assesses the model in terms of how close it fits to the data (Matsunaga, 2010, p. 106). The lower the RMSEA, the better the model fits to the data. There are various recommendations for the acceptable threshold value for the RMSEA index, Hu and Bentler (1998) argue that the RMSEA should be lower than 0,06; Marsh et al. (2004) suggest that a RMSEA of 0,08 is still acceptable and Brown (2006) recommends not to accept RMSEA value beyond 0,1.

The comparative fit index (CFI) and the Tucker-Lewis index (TLI) belong to the incremental fit indices. Incremental fit indices compare the chi-square of the hypothesized model to one of a null model. The null model usually contains a model where all the variables are uncorrelated and has therefore a large χ^2 . The CFI and the TLI are affected by the average size of the correlation in the data, the higher the correlation, the higher the CFI and TLI. (Hu and Bentler, 1999). The recommended threshold for the CFI and the TLI is 0,95 (Hu and Bentler, 1999). Threshold value of 0,90 for the CFI and the TLI is still considered as acceptable (Russel, 2002)

The ZARA causal model had a χ^2 of 530,683 and 202 df (p-value 0,000). The CMIN was computed and a CMIN of 2,627 was obtained for the ZARA causal model. The CMIN falls between the recommended range of 1,0 and 5,0 recommended by Hair et al. (2010). The RMSEA values was 0,090 for the ZARA causal model. The root mean square error of approximation (RMSEA) is below the recommended threshold value of 0,1 (Brown, 2006). The CFI was computed and found to be 0,912 for the ZARA causal model and the TLI was computed and found to be 0,900 for the ZARA causal model. The confirmatory fit index (CFI) is above the recommended threshold of 0,90 (Russel, 2002) and the Tucker-Lewis index (TLI) is above the recommended threshold of 0,90 (Russel, 2002). These measures summarize the goodness of fit of the ZARA causal model and shows that the model is appropriate and that it is likely to have produced valid results. The goodness of fit measures for the ZARA causal model can be found in Table 20.

The C&A causal model had a χ^2 of 654,609 and 220 df (p-value 0,000). The CMIN was computed and a CMIN of 2,975 was obtained for the C&A causal model. The CMIN falls between the recommended range of 1,0 and 5,0 recommended by Hair et al. (2010). The RMSEA values was 0,099 for the C&A causal model. The root mean square error of approximation (RMSEA) is below the recommended threshold value of 0,1 (Brown,2006). The CFI was computed and found to be 0,907 for the C&A causal model and the TLI was computed and found to be 0,893 for the C&A causal model. The confirmatory fit index (CFI) is above the recommended threshold of 0,90 (Russel, 2002) but the Tucker-Lewis index (TLI) falls shortly under the recommended threshold of 0,90 (Russel, 2002). These measures summarize the goodness of fit of the C&A causal model and shows that the model is appropriate and that it is likely to have produced valid results. The goodness of fit measures for the C&A causal model can be found in Table 20.

The H&M causal model had a χ^2 of 478,918 and 220 df (p-value 0,000). The CMIN was computed and a CMIN of 2,177 was obtained for the H&M causal model. The CMIN falls

between the recommended range of 1,0 and 5,0 recommended by Hair et al. (2010). The RMSEA values was 0,077 for the H&M causal model. The root mean square error of approximation (RMSEA) is below the recommended threshold value of 0,08 (Marsh et al., 2004). The CFI was computed and found to be 0,911 for the H&M causal model and the TLI was computed and found to be 0,897 for the H&M causal model. The confirmatory fit index (CFI) is above the recommended threshold of 0,90 (Russel, 2002) but the Tucker-Lewis index (TLI) falls shortly under the recommended threshold of 0,90 (Russel, 2002). These measures summarize the goodness of fit of the H&M causal model and shows that the model is appropriate and that it is likely to have produced valid results. The goodness of fit measures for the H&M causal model can be found in Table 20.

Next, the hypotheses were evaluated. For each hypothesis, the standardized coefficient (β) and the related p-value (p) are shown in brackets. Standardized coefficient with p-value over 0,1 are considered non-significant, therefore the causal relationship is not established and the hypothesis is rejected. The ZARA structural model tested whether higher organizational distance lead to lower levels of responsibility attribution (H1). H1 was rejected because the relationship between organization distance and responsibility attribution was not significant ($\beta = -0,080$ and $p = 0,241$). The results of this hypothesis were subject to problems because numerous respondents answered the manipulation check incorrectly (see 3.1.5). However, the model was tested again with the problematic observations removed and H1 ($\beta = -0,83$ and $p = 0,268$) was still not supported.

The C&A structural model tested two hypotheses: H2 and H3. First, the model tested whether higher supplier criticality lead to higher levels of responsibility attribution (H2). The experimental manipulation was coded as a dummy variable (0=low supplier importance, 1=high supplier importance). H2 was rejected because the relationship between supplier criticality and responsibility attribution was not significant ($\beta = -0,070$ and $p = 0,291$). Second, the model tested whether the supplying company, rather than an individual worker within the supplying company, caused the irresponsible behaviour lead to higher levels of responsibility attribution (H3). The experimental manipulation was coded as a dummy variable (0= individual worker, 1=supplying company). H3 was supported ($\beta = 0,246$ and $p = 0,000$).

The H&M structural model tested two hypotheses: H4 and H5. First, the model tested whether a dysfunctional supplier safety management system (SSMS) lead to higher levels of responsibility attribution (H4). The experimental manipulation was coded as a dummy variable (0= functional SSMS, 1= dysfunctional SSMS). H4 was supported ($\beta = 0,183$ and $p = 0,010$).

Second, the model tested whether higher accident severity lead to higher levels of responsibility attribution (H5). The experimental manipulation was coded as a dummy variable (0=low severity, 1=high severity). H5 was rejected because the relationship between accident severity and responsibility attribution was not significant ($\beta=0,012$ and $p=0,869$).

It was hypothesised that consumers' organizational identification with fast fashion MNEs (H6) and consumers' perceptions of corporate social irresponsibility (H7) influenced responsibility attribution. First, all three structural models tested whether higher levels of organizational identification lead to lower levels of responsibility attribution (H6). H6 was rejected because the relationship between organizational identification and responsibility attribution was not significant for the ZARA model ($\beta=0,062$ and $p=0,397$), the C&A model ($\beta=0,007$ and $p=0,922$) and H&M model ($\beta= -0,008$ and $p=0,917$). Second, all three models tested whether higher levels of perceived corporate social irresponsibility lead to higher levels of responsibility attribution (H7). This relationship was found to be significant across all models. The relationship between perceived corporate social irresponsibility and responsibility attribution was positive and significant for the ZARA model ($\beta=0,383$ and $p=0,000$), for the C&A model ($\beta=0,393$ and $p=0,000$) and for the H&M model ($\beta=0,309$ and $p=0,000$). The three models highlight a strong effect of anger on boycott intentions.

H8 and H9 were tested across the three structural models. First, it was hypothesised that higher levels of responsibility attribution lead to higher levels of anger (H8). This relationship was found to be significant across all models. The relationship between responsibility attribution and anger was positive and significant for the ZARA model ($\beta=0,622$ and $p=0,000$), for the C&A model ($\beta=0,729$ and $p=0,000$) and the H&M model ($\beta=0,659$ and $p=0,000$). The three models highlight a strong effect of responsibility attribution on consumer anger. Second, it was hypothesised that higher levels of anger lead to higher levels of boycott (H9). This relationship was found to be significant across all models. The relationship between responsibility attribution and anger was positive and significant for the ZARA model ($\beta=0,820$ and $p=0,000$), for the C&A model ($\beta=0,872$ and $p=0,000$) and the H&M model ($\beta=0,744$ and $p=0,000$). The three models highlight a strong effect of consumer anger on consumer boycott intentions.

Impact of gender, age and educational attainment level

After the hypothesis testing, control variables were added to the models to verify that the relationships between the variables were not affected by demographic characteristics such as gender, age and education attainment level. The current study tested the impact of control variables on responsibility attribution and on perceived corporate social irresponsibility. First, the impact of control variables on responsibility attribution is reported then followed by the impact of control variables on perceived corporate social irresponsibility

In the current study, respondents' gender has no significant impact on responsibility attribution in the ZARA vignette data ($\beta = -0,007$ and $p = 0,912$), in the C&A vignette data ($\beta = 0,039$ and $p = 0,549$) and in the H&M vignette data ($\beta = 0,020$ and $p = 0,772$). Respondents' age was found to have no significant impact on responsibility attribution in the ZARA vignette data ($\beta = 0,071$ and $p = 0,311$) and in the C&A vignette data ($\beta = 0,098$ and $p = 0,155$). However, for the H&M vignette data ($\beta = 0,165$ and $p = 0,023$), the relationship between age and responsibility attribution was significant. It was found that the older people get, the more responsibility they attribute. Nevertheless, these findings were not supported in the C&A and the ZARA model. The effect of age on responsibility attribution cannot be confirmed with certainty. Finally, respondents' educational attainment level had no significant impact responsibility attribution in the ZARA vignette data ($\beta = -0,077$ and $p = 0,224$), in the C&A vignette data ($\beta = -0,051$ and $p = 0,455$) and in the H&M vignette data ($\beta = -0,012$ and $p = 0,871$).

In the current study, respondents' gender has no significant impact on perceived corporate social irresponsibility in the ZARA vignette data ($\beta = 0,075$ and $p = 0,296$) and in the C&A vignette data ($\beta = -0,086$ and $p = 0,230$). However, for the H&M vignette data ($\beta = 0,140$ and $p = 0,063$), the relationship between gender and perceived corporate social irresponsibility was significant. It was found that the female respondents perceived more corporate social irresponsibility than men did. Nevertheless, these findings were not supported in the C&A and the ZARA model. The effect of gender on perceived corporate social irresponsibility cannot be confirmed with certainty. Respondents' age was found to have no significant impact on perceived corporate social irresponsibility in the C&A vignette data ($\beta = -0,120$ and $p = 0,102$) and in the H&M vignette data ($\beta = -0,126$ and $p = 0,104$). The p values are just over the rejection level of 0,1. However, for the ZARA vignette data ($\beta = -0,128$ and $p = 0,084$), the relationship between age and perceived corporate social irresponsibility was significant. It was found that the older people get, the less they perceived corporate social irresponsibility. Nevertheless, these findings were not supported in the C&A and the ZARA model even though the p value

were close to the rejection threshold. The effect of age on perceived corporate social irresponsibility cannot be confirmed with certainty. As a precaution, respondents age was not included in the model. Finally, respondents' educational attainment level had no significant impact perceived corporate social irresponsibility in the ZARA vignette data ($\beta = 0,006$ and $p = 0,938$), in the C&A vignette data ($\beta = -0,032$ and $p = 0,665$) and in the H&M vignette data ($\beta = 0,039$ and $p = 0,614$).

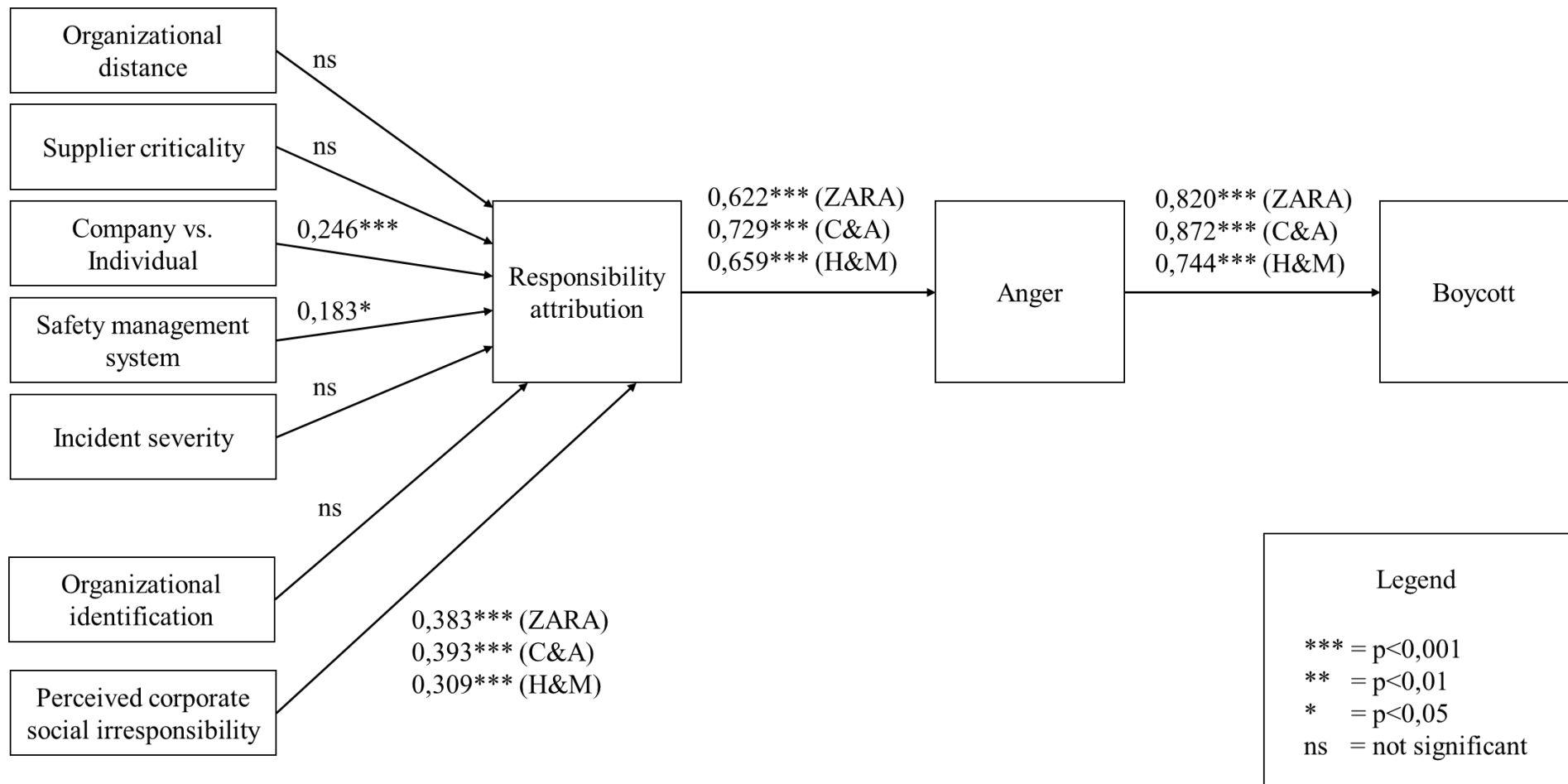


Figure 6. Results of structural equation modeling

Table 20. Results of the structural equation modeling

	ZARA		C&A		H&M	
	Standardized coefficient β	p-value	Standardized coefficient β	p-value	Standardized coefficient β	p-value
Experimental manipulations						
Controllability						
H1. Organizational distance	-0,080	0,241				
H2. Supplier criticality			-0,070	0,291		
Stability						
H3. Company vs. Individual			0,246	0,000		
H4. Safety management system					0,183	0,010
Severity						
H5. Degree of severity					0,012	0,869
Consumer attitude						
H6. Organizational identification	0,062	0,397	0,007	0,922	-0,008	0,917
H7. Perceived CSI	0,383	0,000	0,393	0,000	0,309	0,000
Structural paths						
H8. Responsibility attribution -> Anger	0,622	0,000	0,729	0,000	0,659	0,000
H9. Anger -> Boycott	0,820	0,000	0,872	0,000	0,744	0,000
Goodness of fit						
RMSEA	0,090		0,099		0,077	
Confirmatory fit index (CFI)	0,912		0,907		0,911	
Tucker-Lewis index (TLI)	0,900		0,893		0,897	
CMIN	2,627		2,975		2,177	
Note: N=202 for each model						

5. Discussion

This chapter aims to provide an answer to the main research question of the current thesis. In order to do this, the two first sections address and discuss the two research sub questions. The findings of the research are used to answer the research sub questions and are discussed against the theory presented earlier. The third section summarizes the answer to the two research sub questions, answers the main research questions and discusses it against the literature. Finally, in the last section I seize the occasion to extend the contributions of the current study findings by discussing its implications for offshoring by means of the DLE frameworks.

5.1 Consumer reaction to supply chain incidents

The objective of the first research sub question was to study how consumer react to supply chain incident depending on consumer attitude towards MNEs and depending on the dimensions of causal determinations by assessing how consumers attribute the responsibilities of a negative event (Weiner, 1980, 1986 and 1995; Lange and Washburn, 2012; Hartmann and Moeller, 2014) and how customer's belief about responsibilities and related emotion translate into actions potentially impacting MNEs performances (Weiner, 1995; Folkes and Kamins, 1999; Bougie et al., 2003; Watson and Spence, 2007; Kalamas et al., 2008; Funches, 2011, Lindenmeier et al., 2012) by means of presenting consumers with supply chain incidents caused by irresponsible suppliers. This section is divided into sub sections that cover each hypothesis and discusses the findings.

5.1.1 The effect of organizational distance

It is argued that second-tier, third-tier suppliers and sub suppliers rather than direct suppliers are often the starting point of the most severe environmental and social incidents (Ernst and Kim, 2002; Plambeck, 2012). MNEs extend their reach deeper into the supply chain increasing the number of intermediaries and making supply chain dynamic but also more complex networks (Choi & Linton, 2011; Pagell et al., 2010; Mena et al., 2013). Longer supply chains are more complex and more difficult to manage than shorter ones (Awaysheh and Klassen, 2010). There is a positive relationship between a firm's business complexity and the occurrence of CSI (Strike et al, 2006). The more complex MNEs operations, the more likely is the occurrence of CSI. Scholars have suggested that geographical distance influences the power a buyer has over its suppliers (Elg and Hultman, 2011). It implies that the greater the distance, the more difficult it is for MNEs to control suppliers' activities and practices (Ulstrup et al.,

2013). The greater the control the MNE has, the greater the chances are that the MNE can prevent or foresee the supplier irresponsible behaviour, the greater the responsibility attribution in case of supplier irresponsible behaviour (Weiner, 1986, 1995). Because fast fashion MNEs have less power over lower-tier suppliers than over first-tier suppliers. Hartmann and Moeller (2014) argue that customers should recognize that longer supply chains are more difficult to control and to manage. The current study assumed that customers attribute less responsibility to fast fashion MNEs for social irresponsible supplier behaviour when organizational distance between the fast fashion MNE and the supplier is greater. Contrarily to what was expected, this assumption was not empirically supported in the current study. Our findings are however in line with previous studies testing that hypothesis (Hartmann and Moeller, 2014).

5.1.2 The effect of supplier criticality

Fast fashion MNEs offshore their productions to many suppliers (Doyle et al., 2006). However, not all have them have the same strategic importance. Fast fashion MNEs develop different relationships with their supplier ranging from close partnerships to distant relationships (Bruce and Daly, 2006). Close partnerships between fast fashion MNEs and lower-tier suppliers implies that fast fashion MNEs have more information, oversight and control over their suppliers and to prevent or foresee supplier irresponsible behaviour. Additionally, Hartmann and Moeller (2014) argue that if consumers recognize that the fast fashion MNE and the supplier have a close relationship, that the fast fashion MNEs have more opportunities to control suppliers' behaviours then they will perceive the fast fashion MNEs as more culpable for the supplier irresponsible behaviour because it failed to prevent it. The current study assumed that customers attribute more responsibility to fast fashion MNEs for social irresponsible supplier behaviour when the strategic importance of the supplier is greater. Contrarily to what was expected, this assumption was not empirically supported in the current study. Our findings are however in line with previous studies testing that hypothesis (Hartmann and Moeller, 2014).

None of the two hypotheses related to the causal dimension controllability lead to higher levels of responsibility attribution. The relationship between the number of intermediaries between the fast fashion MNEs and the upstream supplier and the responsibility attribution levels was not significant. In addition, the relationship between the supplier criticality for the activities of the fast fashion MNEs and the responsibility attribution levels was also found to be not significant. The fact that organizational distance and supplier criticality do no play a role in responsibility attribution may be explained by consumers' unfamiliarity with multi-tier supply chain management challenges and particularities (Hartmann et Moeller, 2014). Confronted with

a complex crisis, consumers might not try to untangle the responsibilities and search for a scapegoat: the fast fashion MNEs (Gao et al., 2012). According to Hartmann and Moeller (2014), these findings demonstrate that chain liability occurs regardless of the organizational distance between the fast fashion MNEs and its suppliers and regardless of the supplier criticality for the operations of the fast fashion MNEs.

5.1.3 The effect of company vs individual act

The fact that an irresponsible behaviour that triggered an incident is caused by a systemic failure of a firm rather than being caused by a single worker, leads to uncertainty of future outcomes and chances of a similar incident happening again are higher. In that case, the reason leading to the irresponsible behaviour is unstable (Weiner 1980). According to Hartmann and Moeller (2014), customers are expected to attribute fewer responsibilities to a firm because it could not have foreseen or prevented that a single supplier worker would behave irresponsibly (Hartmann and Moeller (2014)). The current study assumed that customers attribute more responsibility to fast fashion MNEs for social irresponsible supplier behaviour when the supplying company, rather than an individual worker within the supplying company, caused the irresponsible behaviour. This assumption was empirically supported in the current study. Similarly to what was discovered in a previous study by Hartmann and Moeller (2014), consumers attributed more responsibility to fast fashion MNEs when the supplier as whole acted irresponsibly rather than a single worker of that supplier acted irresponsibly. In the current study, consumers believe that it is more difficult for fast fashion MNEs to control an individual supplier worker than to control the supplying company. Therefore, consumers attribute less responsibility to fast fashion MNEs when an individual worker acted irresponsibly.

5.1.4 The effect of the supplier safety management system

Gao et al. (2012) argue that consumers expect firms to account for the environmental behaviour of the suppliers when making purchasing decisions. Global buyers are expected to monitor the operations and the behaviours of their suppliers (Carter and Jennings, 2002). Past incidents and scandals have pushed MNEs in the garment industry to develop codes of conduct for their suppliers (Soundararajan and Brown, 2016). Codes of conduct are expected to ensure that the working conditions are safe and hygienic (Jiang, 2009). Supplier incentive to abide by these codes of conduct is for example to secure future offshoring contracts with the sourcing MNE (Soundararajan and Brown, 2016).

However, the efficacy of codes of conduct is questioned (Soundararajan and Brown, 2016). First, it is difficult to ensure suppliers commitment to the codes (Clarke and Boersma, 2015). Second, Pinkse and Kolk (2009) argue that codes of conduct lack monitoring and enforcement mechanisms. Third, codes of conduct are often established by Western MNEs and imposed on suppliers in developing countries making them passive players (Jiang, 2009). And finally, the codes are not delivering large scale and sustained working condition improvements (Locke et al., 2007). According to Hartmann and Moeller (2014), customers are expected to attribute more responsibilities to firm when there is no environmental management system because it failed to prevent or limit the outcome of an environmental incident and because in the absence of an environmental management system they believe a similar supplier irresponsible behaviour will happen again in the future and causing another incident. The current study assumed that customers would attribute more responsibility to fast fashion MNEs for social irresponsible supplier behaviour, when the safety management system in place is dysfunctional. This assumption was empirically supported in the current study.

Unlike Hartmann and Moeller (2014), consumers attributed more responsibility to fast fashion MNEs when the supplier safety management system was dysfunctional. When faced with the experiments with the dysfunctional supplier safety management system, 89% of the respondents expected that a similar incident and related outcome would happen again in the future and when faced with the experiments with the functional supplier safety management system, only 64% of the respondents expected that a similar incident and related outcome would happen again in the future. Poorly implemented and poorly performing codes of conduct are more expected by consumers to cause or at least fail to prevent similar incidents and related outcome in the future.

It is argued that instead of aiming to produce substantive and sustained environmental and social improvements, codes of conducts are an instrument used by MNEs to maintain or improve its reputation and to maintain or enhance stakeholder trust (Bondy et al., 2004). The instrumental view of CSR (Scherer and Palazzo, 2011; Pless et al., 2012) and codes of conducts (Diller, 1999; Van Tulder and Kolk, 2001; Brereton, 2002) is widely spread in the literature. Van Tulder and Kolk (2001, p.268) argue that the emergence of and increase in voluntary governance mechanisms/codes of conduct during the 1990s were the result of public scrutiny and legitimacy concerns due to “(tacit) support for oppressive regimes, international environmental damage or outsourcing to countries with inferior labour conditions”. The findings of the current study draw interesting insights for the instrumental view of codes of conducts. Indeed, codes of conduct

might improve reputation and stakeholder trust (Bondy et al., 2004) but in the context of a supply chain incident, the current study findings show that only functional and effective codes of conduct can protect the firms from customer responsibility attribution. Although, it is argued that a firm reputation can act as a reservoir of goodwill during a crisis (Jones et al., 2000; Schnietz & Epstein, 2005) but this is beyond the scope of this paper.

A positive relationship between the supplier safety management system and responsibility attribution was expected and is not at odd with the literature. The findings of the current study support Brewer's (1977) arguments and findings that observers attribute more responsibility for highly probable outcome and attribute less responsibility for less probable outcome. Brewer (1977) argue that outcome with low or mild severity are highly probable and that outcome with high severity are less probable and that responsibility attribution depends on the outcome probability. Brewer (1977) also found that observers attribute more responsibility for highly probable outcome and attribute less responsibility for less probable outcome. The findings of the current study corroborate the second half of Brewer's (1977) assumptions and findings. The primary objective of the experimental manipulations related to the supplier safety management system (SSMS) in the H&M vignette scenarios was to find out whether consumers attribute more responsibility when they believe a negative event and its resulting outcome are likely to happen again in the future. However, by doing so it also indirectly assess responsibility attribution as a function of the outcome probability of occurrence. Indeed, the functional SSMS suggests a diminution of the outcome probability and the dysfunctional SMSS suggests a status quo of the outcome probability. When confronted to a negative event with a low severity outcome, respondents of this research have attributed more responsibility to the MNE when the SSMS was dysfunctional than when the SSMS was functional. Similarly, when confronted to a negative event with a high severity outcome, respondents of this research have attributed more responsibility to the MNE when the SSMS was dysfunctional than when the SSMS was functional.

5.1.5 The effect of outcome severity

Lange and Washburn (2012) hypothesised that the assessment of effect undesirability would influence the observer's assessment of corporate culpability for irresponsible behaviour. Previous research had produced findings arguing for a similar relationship between outcome severity and responsibility attribution. The psychology literature suggests that the more severe an accident is perceived by observers, the more blame they attribute to the responsible of the accident (Burger, 1981; Robbenolt, 2000). The presence of this relationship between severity

and blame attribution was researched to determine consumer behaviour in the context of a product-harm crisis by Laufer et al. (2005). Potentially, the greater the severity, the greater the consequences, and therefore the greater the reaction it will provoke (Zyglidopoulos, 2001, p.423). Then, incident outcome of greater scale drives greater reactions than smaller incident outcome. Building from attribution theory (Lange and Washburn, 2012) and from previous studies (Burger, 1981; Robbennolt, 2000, Laufer et al., 2005; Hartmann and Moeller, 2014), the current study assumed that customers would attribute more responsibility to fast fashion MNEs for social irresponsible supplier behaviour when the severity of the outcomes of the irresponsible behaviour is higher. However, this assumption was not empirically supported in the current study.

Contrary to what was discovered in previous research by Laufer et al. (2005) and by Hartmann and Moeller (2014) severity was not found to lead to higher responsibility attribution by consumers. Laufer et al. (2005) found that consumers significantly attributed more responsibility for the product-harm crisis when the crisis was more severe. Hartmann and Moeller (2014) found that more severe outcome of environmental incidents caused by supplier unsustainable behaviour lead to higher responsibility attribution by consumers to the focal firm. The non-significance of the relationship between incident outcome severity and responsibility attribution is unexpected but not surprising. Robbennolt (2000) highlights that research across the literature has produced mixed support for the severity hypothesis. Walster (1966) was among the first to address responsibility attribution as a function of the outcome severity of a negative event. Walster (1966) found a significant increase of responsibility attribution for more severe outcome.

Since Walster's (1966) seminal study, the literature has produced mixed support for the severity hypothesis (Walster, 1967; Shaver, 1970a and 1970b; Thomas and Parpal, 1987; Feigenson et al., 1997). Researchers have therefore studied the reasons explaining the mixed support of the severity hypothesis. It is argued that the result of the severity hypothesis depends on the situation which means that observers will attribute more responsibility for more severe outcomes if the observers identify with the situation or with the actors in the situation (Schroeder & Linder, 1976; Shaver, 1970a). From this reasoning, it can be argued that the design of the H&M scenario may have influenced the respondent situational identification. But also, that the severity hypothesis depends on the respondents included in a sample especially if the sample is not representative of the whole population. Respondents might be less inclined to

identify with the situation or with the workers in the H&M scenarios because they do not relate to the situation or to the fast fashion workers.

Additionally, Wortman and Linder (1973) argue that responsibility attribution does not depend on the outcome severity of a negative event but on the probability of the occurrence of a negative event and that more severe outcome are less probable than less severe outcome. However, the H&M scenarios controlled for the probability of an event by consistently referring to a factory fire as the sole negative event across the four scenarios developed (see Appendix 1). The H&M scenarios, through the experimental manipulations related to the supplier safety management system, also controlled for the probability that a negative event lead to less severe outcome or to more severe outcome. Furthermore, this rationale has also been contradicted by subsequent research. Lowe and Medway (1975 and 1976) found that research participants attributed more responsibility for more severe outcome and at the same time did not perceive less severe outcome as more probable than more severe outcome and DeJoy and Klippel (1984) found that research participants perceived more severe outcome as more probable. Robbennolt (2000) suggests that the mixed results to the severity hypothesis might be caused by the differences in operationalization of the different concepts across studies. There are various ways to operationalize responsibility attribution and severity and those differences might be the source of the mixed findings (Robbennolt, 2002).

Finally, it is important to point out that individuals build attributions based on perceptions and not on objective reality (Lange and Washburn, 2012) which implies that attribution is a subjective process. In addition, according to Janssen et al. (2015, p.190): “it is worth noting that regardless of the actual or potential severity of the damages inflicted, crisis responsibility and crisis severity eventually lie in the public’s eyes”. Those considerations shed some light on why the results of the severity hypothesis are mixed.

5.1.6 The effect of consumer organizational identification

Customers identify with MNE brands with varying degrees. Fiske and Taylor (2008) argue that members of a group attribute the negative behaviour of the group to external causes. Building on that, Lange and Washburn (2012, p.315) hypothesised that: “an observer social identification with the implicated corporation is negatively related to assessments of the corporation’s culpability”. Social identification is referred to as consumer organizational identification or as consumer-company identification in the marketing literature (Bhattacharya and Sen, 2003). As explained by Pérez (2009, p.179): “consumer organizational identification is not the direct,

objective correspondence between the individual's personal characteristics and those of the organisation, but it is derived from a subjective sense of approval between both identities.” In the context of the present study it means that consumers that identify with the MNE and its brand would be more inclined to attribute the cause of the negative behaviour and its related responsibilities to the supplier. Furthermore, the literature has produced significant theories and empirical findings indicating that in normal conditions (not in the event of an incident) consumer brand identification had a positive effect on brand loyalty and commitment (Kim et al., 2001; Stokburger-Sauer et al., 2012; Tuškej et al., 2013) and entailed positive consumer behaviour such as brand advocacy (Kim et al., 2001; Stokburger-Sauer et al., 2012) and higher purchase intentions (Pérez, 2009). Therefore, it was expected that in the event of an incident in the supply chain, consumers that identify highly with the MNE/brand would attribute less responsibilities, be less angry and be less inclined to boycott the MNE. The current study assumed that the more customers identify with the fast fashion MNE, the less responsibilities they attribute. Contrarily to what was expected, this assumption was not empirically supported in the current study. The way customers identify with the fast fashion MNE was not found to have a significant impact on the responsibility attribution levels. The findings of the current study may suggest that in the event of an incident consumer identification with the MNE/brand does not affect consumer responsibility attribution.

5.1.7 The effect of consumer perceived corporate social irresponsibility

Consumer perceptions of a firm influence positively or negatively their behaviour towards that firm (Paloviita and Luoma-Aho, 2010, Lange and Washburn, 2012). However, consumer perception of corporate social responsibility and consumer perception of corporate social irresponsibility are not two different faces of the same coin because the consumer reaction derived from those perceptions are distinct. High consumer perception of corporate social responsibility might lead to positive consumer behaviour but low consumer perception of corporate social irresponsibility does not entail positive consumer behaviour. (Wagner et al., 2008) Conversely, high consumer perception of corporate social irresponsibility might lead to negative consumer behaviour but low consumer perception of corporate social responsibility does not entail negative behaviour. (Grappi et al., 2013a). Research has primarily focused on positive consumer reaction to CSR (Brown and Dacin, 1997, Sen and Bhattacharya, 2001; Klein and Dawar, 2004; Becker-Olsen et al., 2006; Tian et al., 2011) but more recently the focus has been put on negative consumer reaction to CSI (Wagner et al., 2008; Grappi et al., 2013a).

CSI information influences stakeholders' perceptions of an MNE's responsibilities which in turn impacts stakeholders' attitudes toward that MNE (Lange and Washburn, 2012; Lin-Hi and Muller, 2013). In addition, MNEs CSI record affect consumer perceptions of those fashion MNEs (Brown and Dacin 1997; Sen and Bhattacharya 2001). Previous research has shown that perceived unethical corporate behaviour has an influence on consumer attitude (Folkes and Kamins, 1999). Lange and Washburn (2012, p.313) argue that a customer perception of a firm disposition for irresponsible behaviour is positively related to the customer assessment of the firm culpability. The current study assumed that the more customers perceive the fast fashion MNE as socially irresponsible, the more responsibilities they attribute. In line with previous research (Grappi et al, 2013b), this assumption was empirically supported in the current study. The relationship between customer perceptions of fast fashion MNEs CSI and responsibility attribution was found to be significant. The more CSI customers perceive, the more responsibility they attribute. These findings corroborate Lange and Washburn (2012, p.313) hypothesised positive relationship between a customer perception of a firm disposition for irresponsible behaviour and the customer assessment of the firm culpability. The findings of the current study empirically contribute to confirming Lange and Washburn's (2012, p. 313) theoretical assumption that: "the implicated corporation's perceived disposition for social irresponsibility is positively related to observer assessments of corporate culpability".

5.1.8 The effect of responsibility attribution on anger

Consumers' responsibility attributions are intrinsically linked to emotional and behavioural reactions (Weiner, 1986, 1995). The more responsibility is attributed to an MNE, the stronger the emotional and behavioural reactions (Fincham and Jaspers, 1980; Shaver, 2012). Weber (2004) argue that higher degree of agent's blame lead to higher degrees of anger. Differently said, consumers' causal inferences about a negative event influences their anger level. Previous research studying the relationships between attribution and emotion have found that consumers that attribute responsibilities to the firm for a negative event, exhibited higher levels of anger (Folkes et al., 1987; Diaz et al., 2002; Funches, 2011, Hartmann and Moeller, 2014). The current study assumed that higher levels of customer responsibility attribution, towards the fast fashion MNEs for social irresponsible supplier behaviour, lead to higher levels of customer anger. In line with previous research assessing the positive relationship between consumer and consumer boycott, this assumption was empirically supported in the current study.

Alike discovered by Folkes et al. (1987), Diaz et al. (2002), Funches, (2011) and Hartmann and Moeller (2014), there is a significant relationship between responsibility attribution and anger.

However, there is a decrease between the number of respondents that attributed responsibilities and the number of respondent that indicated they would be angry. Indeed, 61,4% of the respondents attributed responsibilities to ZARA for the workforce exploitation in Sao Paulo, and 52,0% of the respondents attributed responsibilities to H&M for the factory fire, and 45,0% of the respondents attributed responsibilities to C&A for the factory. Respectively, 49,0% of the respondents indicated they would be angry at ZARA for the workforce exploitation, 45,5% of the respondents indicated they would be angry at H&M for the factory fire, 35,6% of the respondents indicated they would be angry at C&A for the factory fire. These findings are counterintuitive but not surprizing. There are numerous emotions that consumers can experience when confronted to supply chain OSH incidents. The current study acknowledge that different emotions lead to different behavioural responses (Watson and Spence, 2007) and that limiting consumer's emotion to anger limits the consumer's behaviour that will result. The decrease of respondents between respondents that attributed responsibility and respondents that are angry may be explained by the fact that some respondents that attributed responsibilities did not feel angry but experienced another emotion.

5.1.9 The effect of anger on boycott intentions.

Sweetin et al. (2013) found that consumers were more likely to punish and less likely to reward socially irresponsible firms in comparison with socially responsible firms. They also found that the purchase intention and the brand attitude were lower for the socially irresponsible firms compared to the socially responsible firms (Sweetin et al., 2013). Consumers are more likely to punish or boycott socially irresponsible firms than to reward socially responsible firms (e.g. paying a premium for responsible products) (Mohr et al., 2001; Sweetin et al., 2013). The current study has exclusively focused on boycott. First, because boycott has a direct impact on product sales. Second, because there is empirical support showing that boycott is a mechanism used by consumers to hold corporate brands responsible for CSR failings (Klein et al., 2004). The major boycott motivation has been identified as being an instrumental motivation. In this case, boycott is an instrument used to make the target change or discontinue a detrimental behaviour (Friedman, 1999). Klein et al. (2004) argue that negative emotions, such as anger, are a good indicator of boycott participation. It is expected that higher levels of anger would lead to higher levels of willingness to boycott.

In addition, Kalamas et al (2008) found that with increasing anger levels, consumers were more inclined to deliberately worsen the consequences of their actions towards a firm. Correspondingly, anger was found to have a negative effect on future purchasing behaviour and

increased levels of anger make consumers less likely to repurchase products from the firm (Bougie et al., 2003; Chebat and Slusarczyk, 2005; Kalamas et al., 2008). The current study assumed that higher levels of customer anger, towards the fast fashion MNEs for social irresponsible supplier behaviour, lead to higher levels of customer willingness to boycott. In line with previous research assessing the positive relationship between consumer and consumer boycott, this assumption was empirically supported in the current study.

Alike discovered by Bougie et al. (2003), Chebat and Slusarczyk (2005), Kalamas et al. (2008) and Hartmann and Moeller (2014), there is a significant relationship between anger and boycott. However, there is a decrease between the number of respondents the indicated they would be angry and the number of respondent that indicated boycott intentions. Indeed, only 33,2% of the respondents indicated they would boycott ZARA for the workforce exploitation in Sao Paulo, and only 25,2% of the respondents said they would boycott H&M for the factory fire, and only 24,7% of the respondents declared they would boycott C&A for the factory. Respectively, 49,0% of the respondents indicated they would be angry at ZARA for the workforce exploitation, 45,5% of the respondents indicated they would be angry at H&M for the factory fire, 35,6% of the respondents indicated they would be angry at C&A for the factory fire. These findings are counterintuitive but not surprising. Because, consumer willingness to punish corporate brands can be materialized through various actions: bad word of mouth, complaint, boycott, etc. but the current study has exclusively focused on boycott. The decrease of respondents between respondents that were angry and respondents that are willing to boycott may be explained by the fact that some respondents that were angry decided to punish the MNE but not through boycott.

In addition, consumers may be willing to punish corporate brands but they do not necessarily know what are the reasons that motivates them to take actions (Carlsmith, 2008). Consumers may not be aware of their own motivation and to which extent they desire to punish corporate brands (Sweetin et al., 2013). Although this research is not focused on individual consumer motivation to boycott, investigating the reasons that motivate consumers to participate in boycott might be important to understand consumer behaviour towards firms they perceive as acting irresponsibly. Klein et al. (2004) found that consumer participation to a boycott depends among other things on: the perceived egregiousness of the firm's actions, the belief that the boycott is the appropriate and effective response, to feel good about themselves if they take part in the boycott, the estimation of others participation in the boycott and assessment of the available alternatives to the boycotted product.

Additionally, the psychology literature highlight the probable presence of a discrepancy between stated intentions and actual behaviour (Ajzen & Fishbein, 1980). Additionally, consumer behaviours are characterized by an attitude-behaviour gap phenomenon (Vermeir and Verbeke, 2006). The attitude-behaviour gap describes situation where consumers condemn the unsustainable behaviour of a company but fail to translate it into shopping behaviour and continue to buy from that company (Vermeir and Verbeke, 2006). In addition, Klein et al. (2004) argue that consumers' participation to a boycott depends among other things on: the perceived egregiousness of the firm's actions, the belief that the boycott is the appropriate and effective response, to feel good about themselves if they take part in the boycott, the estimation of others participation in the boycott and assessment of the available alternatives to the boycotted product. Moreover, consumers might be willing to punish the fast fashion MNEs the supplier CSI but they might be unable to express what form this punishment should take and the result it should have on the fast fashion MNEs (Sweetin et al., 2013). Therefore, in the current study the punishment and its results are limited to boycott intentions and may not capture other relevant and desired punishment. These elements potentially explain consumers' low boycott intentions. The findings and answers provided to the first research sub question are now going to be discussed in terms of the impact it has on the sales of MNEs.

5.2 The impact of supply chain incidents on the sales of fast fashion MNEs

Previous research has highlighted the importance of stakeholders such as consumers for manager decision making and has argued that stakeholders should be given more attention from managers (Donaldson and Preston, 1995). After all, MNE sales performances depend on consumers (Grappi et al., 2013b) which makes consumers a crucial stakeholder group for MNE managers. Therefore, the current study has adopted a consumer approach to determine the impact of supply chain incidents on MNE sales.

The findings and answer provided to the first research sub question suggest the existence of a chain liability effect in supply chain: a fast fashion MNE may be held responsible by consumers for irresponsible supplier behaviour resulting in occupational safety and health incident. The more consumers believe or perceive that an MNE is partly or fully responsible for their supplier irresponsible supplier resulting in a supply chain incident, the more likely consumers are going to feel angry and the more likely consumers are going to retaliate against the MNE through negative purchase behaviour: product boycott. These findings are important because consumer

purchasing behaviour directly impacts MNE financial performances through sales and determine to which extent the supply chain incident is going to harm the MNE.

The findings, suggest that customers punish MNEs as severely regardless of the decreasing control MNEs have over their suppliers when organizational distance increases. Another form of MNEs control over suppliers and their activities may be derived from the type of relationship between the MNE and the suppliers. Close partnerships between fast fashion MNEs and suppliers implies that fast fashion MNEs have more information, oversight and control over their suppliers and to prevent or foresee supplier irresponsible behaviour Bruce and Daly, (2006). Nonetheless, our findings, suggest that customers punish MNEs as severely regardless of the type of relationship MNEs have with their suppliers. The current study findings, suggest that varying conditions (organizational distance and supplier criticality) of MNEs indirect control over their suppliers lead to the same negative consequences.

Contrasting with the idea of controllability limited to situations of ownership, it is argued that MNEs can control supplier's operations over large distances without exercising ownership (Jenkins, 2001) and have sufficient power to control the supplier's social practices (Ulstrup et al., 2013) through codes of conducts, monitoring and third party certification. The findings suggest that, in the event of a supply chain incident, consumers punish MNEs less severely when codes of conduct such as a supplier safety management system is successfully implemented and demonstrate its effectiveness than when codes are unsuccessfully implemented and are ineffective. Nevertheless, despite fast fashion MNEs power and efforts, it is argued that voluntary governance mechanisms have failed to improve significantly the working conditions in factories of developing country suppliers (Lund-Thomsen and Lindgreen, 2014; Soundararajan and Brown, 2016).

In addition to the findings of the current study, the following considerations are important to understand boycotts and their consequences. Klein et al. (2004, p. 92) observed that "as a result of greater public attention to corporate social responsibility (CSR) and the increased vulnerability of brands and corporate reputations, boycotts have become ever more relevant for management decision making." It is argued that modern boycotts are motivated by irresponsible corporate practices rather than by socio-political agenda and found that boycott is a mechanism used by consumers to hold corporate brands responsible for CSR failings and that boycott are typically called by NGOs condemning irresponsible corporate practices. (Klein et al., 2004). Ultimately, boycotts "represent a source of consumer power and a mechanism for the social control of business" (Klein et al., 2004, p.92). However, consumers may be willing to punish

MNEs but they do not necessarily know what are the reasons that motivates them to take actions (Carlsmith, 2008). Consumers may not be aware of their own motivation and to which extent they desire to punish MNEs (Sweetin et al., 2013). The success of boycotts and the extent of their consequences on MNE sales are difficult to measure and to quantify because of MNEs unwillingness to communicate on decreasing sales due to boycotts (Klein et al., 2004).

Furthermore, the study of this research has shown that severity did not play a role in consumer blame, consumer anger and consumer boycotts towards MNEs for supply chain incidents. It suggests that consumers punish MNEs as harshly for incidents with outcome of low and high severity. For MNEs it means that supply chain incidents are going to impact its sales negatively the same way even if it managed to prevent a more severe incident outcome or to reduce the incident outcome. MNEs way out from supply chain incident related adverse consequences reside in the elimination of irresponsible behaviour from supply chain and therefore the minimization of supply chain incidents and related outcomes.

Moreover, as highlighted by Grappi et al. (2013b, p.1820): “consumer perceptions of unethical actions of a company enter into the formation of their attitudes toward the company, and therefore potentially contribute to a faltering company image and reputation.” The findings of the current study suggest the same relationship. Indeed, higher consumer perceived corporate social irresponsibility lead to more blame towards the MNE and therefore to more consumer anger and more consumer boycotts regardless of the causal dimensions of the supply chain incident and regardless of the irresponsible behaviour that lead to it. To protect itself from boycotts, decreasing sales and related adverse financial consequences, MNEs must ensure that it is perceived as acting responsibly or at least ensure that it is at least not perceived as acting irresponsibly by consumers.

5.3 The impact of supplier CSI on MNEs sales performances

The first research sub question “*How do consumers react to supply chain incidents?*” was examined by assessing consumer reaction towards MNEs for supply chain incidents caused by irresponsible suppliers. The findings of the current study suggest that consumers react negatively to supply chain incidents. Indeed, this study found that consumers hold MNEs responsible for their suppliers’ irresponsible behaviour and that they experience anger towards the MNEs. This feeling of anger stimulates consumers to punish MNEs through negative purchase behaviour such as boycott. Therefore, the findings suggest the existence of a chain liability effect in supply chain: a fast fashion MNE may be held responsible by consumers for

irresponsible supplier behaviour resulting in occupational safety and health incident. Through this study chain liability in supply chains was taken to a new context: the fast fashion industry and related social issues. This study corroborates and extends Hartmann and Moeller's findings (2014).

The second research sub question "*How do supply chain incidents impact sales of MNEs?*" was examined by discussing the findings of the first research sub question and especially by discussing to which extent consumers boycott intentions could significantly impact MNEs sales performances in the event of a supply chain incident caused by a supplier CSI. By means of consumers' negative reactions to supply chain incidents and especially their boycott intentions, it was found that supply chain incidents caused by irresponsible suppliers negatively impact sales of MNEs.

The main research sub question "*How does supplier corporate social irresponsibility impact MNEs sales performances?*" is examined by means of the two research sub questions. This study found that consumers negatively react to supply chain incidents caused by irresponsible suppliers and that consumers negative reactions deteriorate sales of MNEs through boycott. Therefore, it can be said that supplier corporate social responsibility negatively impacts sales of MNEs. Contrary to the business case for CSR that aims to establish a positive relationship between corporate social performances and corporate financial performances and building from (Grappi et al., 2013a, Lund-Thomsen and Lindgreen, 2014), this master's thesis assumed and demonstrated that supplier corporate social irresponsibility negatively impacts MNEs sales performances (Lund-Thomsen and Lindgreen, 2014) through consumer boycott.

The findings and answers provided to the research questions do not mean that CSR initiatives does not lead to improved corporate performances for MNEs but instead that in addition to that relationship CSI behaviours deteriorate MNEs sales performances. The current study focuses on CSI rather than CSR because the relationship between CSR and corporate performances as already been extensively covered and because consumers are more exposed to negative CSR through media (Wagner et al., 2008) and because they have stronger reactions when confronted with negative CSI information than with positive CSR information (Sen and Bhattacharya, 2001). Acknowledging the coexistence of socially responsible and irresponsible behaviours is essential for a better understanding of CSR because it influences consumers' perceptions of an MNE's, it influences consumer responsibility attribution which in turn impact consumers' attitudes and behaviour towards that MNE (Lange and Washburn, 2012; Lin-Hi and Muller, 2013).

The CSR definition selected for the current study stated that MNEs should be responsible and liable beyond legal compliance and that MNEs have a responsibility for their suppliers' behaviour (Blowfield and Frynas, 2005). Because irresponsible behaviour and poor working conditions in global supply chains remain a contemporary issue especially in developing countries (Soundararajan and Brown, 2016) and because of the weak regulatory institutions in developing countries to ensure suppliers responsible behaviours, the present study considers that MNEs should be held responsible and liable beyond legal compliance and that MNEs are responsible for their suppliers' behaviours. The findings and answers provided to the research questions suggest that consumers play a role in making MNEs responsible and liable beyond legal compliance through boycott and related sales decrease. In addition, by holding MNEs responsible for supply chain incidents caused by irresponsible behaviour consumers consider that MNEs have a responsibility for their suppliers' behaviour.

5.4 The implications of the findings for offshoring

MNEs decision to offshore activities or processes has mainly been studied from a cost-benefit analysis or transactional perspective for MNEs (Jacobides and Winter, 2005) and it is argued that managers' evaluation of offshoring efficiency through a firm-centric approach have overlooked the importance of the stakeholders when selecting offshoring (Robertson et al., 2010). Donaldson and Preston (1995) suggest that stakeholders such as consumers should be given more attention from managers and that their perceptions are essential for manager decision making. The findings and answers provided to the two research sub questions suggest the existence of a chain liability effect in supply chain and adverse consequences for MNE sales. Consumer negative reaction to supply chain incidents and related adverse financial consequences for MNEs suggest a fundamental revision of offshoring through the assessment of its advantages and disadvantages.

Recent research has been concerned with the effect of company offshoring practices on consumer responses (Grappi et al., 2013b) and with stakeholder perceptions of offshoring and outsourcing (Robertson et al., 2010). That research primarily focused on customers concerns about the quality and the information security related to the product or service offshored or customers concerns about the loss of job related to the relocation of activities to foreign countries and argues that consumers may reconsider their purchase decisions based on the risk related to offshoring practices developed by MNEs. Grappi et al. (2013b) and Robertson et al. (2010) highlight customer related risks of offshoring practices.

I seize the occasion to extend the contributions of the current study findings by discussing its implications for offshoring. Therefore, the DLE framework (Kedia and Mukherjee, 2009) presented earlier (see section 2.1.3) is used to discuss the findings and answers to the two research sub questions in order determine the implications for offshoring. The offshoring practices and related advantages and disadvantages are discussed and the captive offshoring, the domestic outsourcing and the in-house development practices are discussed in order to evaluate how these substitute practices potentially attenuate the disadvantages of offshoring while retaining most of its advantages. The offshoring practices are the starting point to discuss the advantages and disadvantages compared to other externalization and disintegration practices. offshoring is also the starting point because it is the one that was studied by means of the vignette experiments.

Offshore-outsourcing

The offshore-outsourcing practices, in this paper referred as offshoring are characterized by high disintegration advantages, high externalization advantages and high location advantages. Offshoring emerges because there are advantages to be gained from decoupling value chain activities, because there are economically more attractive regions or country to offshore the production to and because there are advantages to be gained from externalizing parts of the value chain activities to contractors. As argued by Ghemawat (2001), the garment industry and the fast fashion MNEs exploits the economic distance (labour costs) from emerging/developing countries to minimize production costs. Differently said, fast fashion MNEs main advantages are derived from location advantages. However, Hoffman and Müller (2009, p.245) argue that MNE “should not primarily base location strategy on a cost-cutting philosophy. While stockholders may welcome a reduction in labour costs, stakeholders who represent the social environment of the company (e.g., customers and employees) demand social responsibility”. Furthermore, as highlighted in the findings and answers provided to the two research sub questions in the event of a supply chain incident specificities inherent to offshoring might lead to negative consequences for fast fashion MNEs.

Offshoring relationships between suppliers and MNEs are contractual and the MNEs have no ownership related control over their suppliers. However, to prevent CSI or to ensure CSR in supply chains, the present study as argued for the necessary control MNEs should have over their suppliers and their operations. Therefore, this paper argues that MNEs must control their offshore operations more directly. MNEs control over suppliers is not needed to decrease the consumer boycott and related consequences in the event of a supply chain incident but to

prevent the supplier irresponsible behaviour that caused that supply chain incident. This paper argue that captive offshoring would entail a more direct control over offshore operations.

In addition, before MNEs succeed in effectively implementing codes of conduct that yields significant working conditions improvements in supply chain, the current study findings regarding the decrease of consumer boycotts and related consequences when codes of conduct are effective might not be of use. Until then, MNEs might be better off developing practices that allow them to control more directly its offshore operations. Additionally, the findings clearly indicate that consumers make the distinction between the isolated irresponsible behaviour of an individual worker or the systemic irresponsible behaviour of the whole supplier when assessing supply chain incident. Consumers punish more severely MNEs dealing with irresponsible suppliers than when the irresponsible act of an individual worker lead to an incident. It suggests, that consumers punish the MNE not only for the incident but for dealing with an irresponsible supplier.

Captive offshoring

The captive offshoring practices are characterized by low disintegration advantages, low externalization advantages and high location advantages. Captive offshoring emerges because there is no advantage to be gained from decoupling value chain activities, because there are economically more attractive regions or country to offshore the production to and because there are no advantages to be gained from externalizing parts of the value chain activities to contractors. Therefore, the production is offshored to a subsidiary of the fast fashion MNE in the emerging/developing country. In this research, the term subsidiary refers to a supplier that is owned or controlled by a fast fashion MNE and also includes suppliers linked through shared ownership to the MNE.

Compared to offshore outsourcing, captive offshoring offers the MNE a more direct control over the offshore operations. Indeed, through the owned subsidiary or the supplier controlled via shared ownership, the MNE has a managerial control over the offshore operations. Codes of conduct are obsolete because the MNE has a voice within the organization that manufacture its production and can directly ensure that operations are run responsibly. However, the garment industry is characterized by high disintegration advantages and high externalization advantages. It implies that when operating abroad, the transaction costs induced by the externalization are lower than the costs associated with maintaining the production within a subsidiary. For fast fashion MNEs, the production of garments does not bring added value, garment manufacturing

does not entail the creation of core competencies and it is costlier than externalizing it. By adopting captive offshoring, fast fashion MNEs would voluntarily relinquish the practice that minimize costs the most. This rationale does not make sense in the short term. However, in the long term and in the event of supply chain incidents, captive offshoring may be beneficial.

Indeed, in the short terms, with captive offshoring MNEs might lose savings derived from the externalization of the production but might be less subject to the adverse financial consequences implied by supply chain incidents caused by irresponsible practices. By maintaining the garment production within an owned subsidiary or a controlled supplier via shared ownership, MNEs have direct total control over offshore operations and decide how it is run.

Domestic outsourcing

The domestic outsourcing practices are characterized by high disintegration advantages, high externalization advantages and low location advantages. Domestic outsourcing emerges because there are advantages to be gained from decoupling value chain activities, because there are no economically more attractive regions or country to offshore the production to and because there are advantages to be gained from externalizing parts of the value chain activities to contractors. Therefore, the production is outsourced to national contractors.

Compared to offshore outsourcing, domestic outsourcing is also characterized by an indirect control over suppliers. However, in this situation, the MNE and the supplier are located in the same country: the MNE home country. As it was argued earlier, in the context of the current study, for fast fashion MNEs, the home country is a developed country where laws are enforced and regulatory institutions are strong. Although, MNEs have an indirect control over its suppliers, the supplier is less likely to break the law and behave irresponsibly as it is the case when suppliers are located in emerging/developing countries where laws are enforced with difficulty and regulatory institutions are weak (Djankov and Ramalho, 2009). In this situation, the location of the operation ensures that suppliers are going to act responsibly thanks to strong regulations and enforcement mechanism. However, as highlighted earlier, fast fashion MNEs main advantages is derived from location advantages by means of emerging/developing countries cheap labour. Domestic outsourcing is characterized by transaction costs but without the benefits of the location advantages. Indeed, repatriate the garment production that has been offshored to emerging/developing countries to outsource it to a national supplier would cause the loss of the main advantages that caused garment production to be offshored in the first place. Even to prevent the adverse consequences of supply chain incidents and to eradicate

irresponsible practices from its supply chain, it is unlikely that fast fashion MNEs adopt domestic outsourcing because the cost differential is too important.

In-house development

The in-house development practices are characterized by low disintegration advantages, low externalization advantages and low location advantages. In-house development emerges because there is no advantage to be gained from decoupling value chain activities, because there are no economically more attractive regions or country to offshore the production to and because there are no advantages to be gained from externalizing parts of the value chain activities to contractors. However, in-house development does not refer to the internationalization of a firm's operations per se in the DLE framework because it is characterized by low disintegration advantages, low location advantages and low externalization advantages. Therefore, in house-development is more relevant in the OLI framework than in the DLE framework. Because in the OLI framework it is suggested that the emergence of in-house development is due to high internalization advantages, low ownership advantages and low location advantages while in the DLE framework it is suggested that the emergence of in-house development is due to the absence of three kind of advantages, disintegration, externalization and location respectively. As the current study argued earlier, the OLI framework developed by Dunning (1980) is a framework explaining a firm rationale for internationalizing its activities or a MNE rationale for adopting some international practices instead of others.

Typically, in-house development characterizes firms that have not yet internationalized their activities and that are not MNEs. The OLI framework take those firms as the starting point to explains why those firms may decide to internationalize their activities and what advantages it will derived from different practices. Contrarily to that the OLI framework, the DLE framework does not explain why firm internationalize but explains why MNEs have internationalized that way. Indeed, MNEs enjoying advantages from offshore outsourcing and/or from a captive offshoring and/or from domestic outsourcing might reconsider their international operations in the event of changing macro-economic conditions and adapt it accordingly. And in the event of extreme changes resulting in the absence of disintegration, externalization and location advantages, MNEs would be left with the repatriation of value chain activities or development of in house expertise. Briefly, the OLI framework explains why a firm should internationalize its activities while the DLE framework explains whether an MNE should continue to internationalize its activities and under what form.

Adopting in-house development practices to attenuate the effect of or to avoid the consequences of supply chain incidents would not make sense for fast fashion MNEs in economic terms. Indeed, repatriate the garment production that has been offshored to emerging/developing countries would cause the loss of the main advantages that caused garment production to be offshored in the first place. As argued earlier, the fast fashion MNEs exploits lower labour costs from emerging/developing countries to minimize production costs (Ghemawat, 2001). If fast fashion MNEs were to stop offshoring its production to emerging/developing countries, it would lose a significant advantage over its competitors. Additionally, in-house development is beyond the scope of this research because this paper has studied the effect of supply chain incident on MNEs and if firms internalize the garment production, the supply chain context disappear.

After the analysis of the different offshoring/outsourcing practices from the DLE framework, the best fitted way to offshore/outsource operations to address consumer negative reaction to supply chain incidents and related adverse financial consequences for MNEs while maintaining most of the advantages from offshoring seems to be captive offshoring. In addition, thanks to a direct control over the offshore operations captive offshoring is promising to ensure the elimination of supply chain irresponsible practices and provide sustained and significant working conditions improvements.

6. Conclusions

This chapter presents the main findings and the theoretical contribution of the current study, summarizes the managerial implications and acknowledges the limitations of the research and addresses suggestions for future research.

6.1 Main findings and theoretical contribution

The findings of this paper are that higher consumer perception of an MNE corporate social irresponsibility, high supplier criticality, and the inefficiency of a safety management system are important predictors of higher consumer responsibility attribution to MNEs in the event of a supply chain incident caused by a supplier irresponsible behaviour. Additionally, the findings suggest that higher consumer responsibility attribution results in higher consumer anger and that higher consumer anger results in higher consumer boycott intentions. This study found that consumers negatively react to supply chain incidents caused by irresponsible suppliers and that consumers negative reactions deteriorate sales of MNEs through boycott. The main contribution of the thesis is demonstrating the existence of a negative impact of supplier corporate social irresponsibility on MNEs sales performances in the event of supply chain incidents caused by supplier irresponsible behaviour. By means of the consumer approach, the findings suggest that in the event of a supply chain incident, fast fashion MNEs are likely to be boycotted by consumers and to experience negative consequences such as decreasing sales and related decrease in revenue. Those findings contribute to existing international business research by demonstrating that contrary to the business case for CSR there is a negative relationship between supplier CSI and MNEs sales performances because understanding what factors impact sales performances of MNEs and whether consumers can affect MNEs sales is key to incite MNEs to address their suppliers' irresponsible behaviour and to eliminate CSI behaviour from supply chains. This would therefore resolve supply chain social issues and improve working conditions in supply chains.

Consumer negative reaction to supply chain incidents and related adverse financial consequences for MNEs suggest a fundamental revision of offshoring through the assessment of its advantages and disadvantages. This paper suggest that captive offshoring is most fitted to address consumer negative reaction to supply chain incidents and related adverse financial consequences for MNEs while maintaining most of the advantages derived from offshoring and the most promising to eliminate irresponsible behaviours from supply chains. Therefore, the

existence of a chain liability effect in supply chain is a small but necessary step in solving supply chain issues and could encourage fast fashion MNEs to take wiser management decision and could incite them to make their supplier improve the working conditions and commit to CSR principles and consequently improve and save the lives of millions of workers in the developing and emerging economies.

6.2 Managerial implications

First and foremost, the presence of a chain liability effect in the event of a supply chain incident and related sales decrease and financial performance decrease has important implications that deserves managers' attention. Indeed, the chain liability presence and related effect have changed the economic equilibrium of offshoring. Managers should operate a fundamental revision of offshoring practices and carry out an assessment of the advantages derived from offshoring considering the disadvantages resulting from supply chain incident. The current study argue that managers should shift the indirect control they have over offshore operations towards a direct control of offshore operations in order to prevent and eliminate irresponsible behaviours in supply chains that are currently beyond their control. It is suggested that developing captive offshoring by means of offshoring operations to an owned subsidiary or to a supplier controlled via shared ownership would provide such a direct control over offshore operations.

After the revision and assessment of the offshoring practices and if managers consider that the offshoring remains relevant for fast fashion MNEs, the current study suggests that MNE managers should work hand in hand with suppliers to ensure healthy and safe working conditions throughout the supply chain to protect the workers, to prevent irresponsible behaviour and resulting incidents and therefore to preserve their organization from consumer retaliation. It is recommended that managers should do so regardless of the size of the supplier, of the criticality of the supplier and of the position of the supplier in the supply chain. Collaboration between supply chain actors is necessary to improve working conditions. In addition to benefiting workers from developing countries, improving working conditions can also benefit the MNEs. It is in managers best interest to understand the expectations of consumers for corporate social responsibility. Consumers and other stakeholder groups are essential to the implementation of voluntary governance mechanisms (Soundararajan and Brown, 2016) and therefore essential to the improvement of working conditions in developing countries.

Managers should ensure that their organization is not perceived as irresponsible by consumers because consumer perceived corporate social irresponsibility could stimulate their boycott intentions and therefore worsen the negative consequences for the MNE in the event of a supply chain incident. To prevent consumers' perception of corporate social irresponsibility, it is suggested that managers work towards improving supply chain transparency by publishing the extensive list of their suppliers. Improved supply chain transparency could help firms to secure the trustworthiness of their ethical claims about the origins of their products (New, 2010). More transparency in the supply chain about product origins improves customer loyalty and secures the relationship between the customers and the brand (New, 2010). Brands such as Primark, Nike and Levi-Strauss voluntarily revealed the list of their suppliers. However, firms usually argue that the name of their suppliers, and therefore the details about their supply network, is of strategic importance and that revealing that information would diminish their competitive advantage (Doorey, 2011).

6.3 Limitations and suggestions for future research

The biggest limitation in the current study relates to the sampling method used to produce the sample. Indeed, this research used a convenience sampling method to collect observations which causes the sample to be biased towards woman, younger people and people in possession of a master degree. The convenience sampling method is classified as a non-random sampling method because individuals from the studied population do not have an equal chance of being selected to be part of the sample. However, resource, budget and time constraints restricted the use of other sampling methods more likely to produce statistically sound samples representing the studied population: Walloon consumers. Therefore, the findings of the current study lack generalizability. Moreover, the research focuses on a single country/region. It raises the question whether consumers across the globe would have similar reactions towards fast fashion MNEs. The inclusion of MNEs with global presence in the research ease the replication of the study across countries.

In addition, to test the effect of organizational identification and perceived corporate social irresponsibility, it was decided to design the experiments around existing fast fashion brands. The inclusion of these brands rather than others may have influenced the results in one way or another. It would be interesting to confirm the findings of this research by repeating this study but with different fast fashion brands. The focus was put on the garment industry and fast-

fashion products, future research could investigate whether different industries and products yield different or similar results.

The finding obtained through the vignette-based experiments are inherently dependent on the design of the vignettes and related scenarios. Although, the ZARA, C&A and H&M vignettes were designed carefully, the findings may have been impacted by the wording or the specificities of the situations presented in the vignettes. In order to confirm the current study findings, the experiments would need to be reproduced with new vignettes and new scenarios describing a supply chain incident.

The current study only studied consumer reactions to fast fashion MNEs exhibiting offshoring practices, it would be interesting for future research to replicate the current study but with the inclusion of MNEs exhibiting captive offshoring practices in order to confirm that the captive offshoring is most fitted to address consumer negative reaction to supply chain incidents and related adverse financial consequences for MNEs while maintaining most of the advantages derived from offshoring. The consumer reaction process developed to study consumer reaction in the event of a supply chain event only included anger as the emotion experienced and limited consumer negative behaviour to boycott. The next step for future research would be to research whether responsibility attribution lead to other emotions than consumer anger or whether other emotions than consumer anger also lead to consumer boycott or whether consumer anger lead to different consumer negative behaviour towards MNEs.

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8. Appendix

Appendix 1. Vignette-based experiments

Vignette C&A (2x2, between subject manipulation)	
General introduction of the company C&A is a Dutch multinational retail-clothing company, known for its clothing for men, women, teenagers and children. C&A sell clothes in Belgium through its 138 retail stores. C&A sources from several factories located in different countries.	
Supplier criticality (H4)	
aa. Low supplier importance C&A has been sourcing basic t-shirts from the Tazreen Fashion Factory for 3 years. During that time, they did not develop a tight collaboration. C&A sells a lot of basic t-shirts but it is not a product that attracts customers in the stores and these t-shirts can be sourced from many factories. Therefore, C&A did not invest time and money in developing the production capacity of the Tazreen Fashion Factory.	ab. High supplier importance C&A has been sourcing blue jeans from the Tazreen Fashion Factory for 3 years. During that time, they developed a tight collaboration. Blue jeans from the Tazreen Fashion Factory are among the bestselling products of C&A and it attracts a lot of customers in stores located in Belgium. Therefore, C&A has invested time and money in developing the production capacity of the Tazreen Fashion Factory.
Company vs Individual (H5)	
ba. Company Recently, a fire broke out at the Tazreen Fashion Factory, a garment factory located in Dhaka, Bangladesh. A total of 117 workers died and more than 200 were injured. The fire was caused by an electrical short circuit. The short circuit happened because the Tazreen Fashion Factory did not regularly do the maintenance of its electrical installation.	bb. Individual Recently, a fire broke out at the Tazreen Fashion Factory, a garment factory located in Dhaka, Bangladesh. A total of 117 workers died and more than 200 were injured. The fire was caused by an electrical short circuit. The short circuit happened because the Tazreen Fashion Factory worker responsible for the maintenance of the electrical installation did not do the maintenance correctly.

Vignette ZARA (3-level, between subject manipulation)		
General introduction of the company		
ZARA is a Spanish multinational retail-clothing company, known for its fast-fashion clothing for men, women, teenagers and children. ZARA sell clothes in Belgium through its 27 retail stores. ZARA designs its collections but subcontracts the production of the garments to several factories located in different countries.		
Organizational distance (H3)		
a. Two-tier supply chain	b. Three-tier supply chain	c. Four-tier supply chain
For its new collection of hoodies, ZARA has decided to subcontract the production in Brazil. ZARA appointed the Brazilian hoodie manufacturer Nolio Inc. This is how Nolio Inc. was subcontracted to make hoodies for ZARA. Nolio Inc. has a manufacturing factory in Sao Paulo, Brazil. Recently, Nolio Inc. was convicted of employing and exploiting adult migrant workers. The migrants had to work between 16 and 18 hours a day and earned only between \$156 and \$290 a month. However, the minimum wage in Brazil is \$344. Hoodies produced by Nolio inc. are especially shipped in Belgium and sold to Belgian consumers under the ZARA label.	For its new collection of hoodies, ZARA has decided to subcontract the production in Brazil. ZARA appointed the Brazilian garment wholesaler Hozipa to supply the hoodies. Hozipa assigned various producers from Brazil to manufacture ZARA's hoodies. This is how Nolio Inc. was subcontracted to make hoodies for ZARA. Nolio Inc. has a manufacturing factory in Sao Paulo, Brazil. Recently, Nolio Inc. was convicted of employing and exploiting adult migrant workers. The migrants had to work between 16 and 18 hours a day and earned only between \$156 and \$290 a month. However, the minimum wage in Brazil is \$344. Hoodies produced by Nolio inc. are notably especially in Belgium and sold to Belgian consumers under the ZARA label.	For its new collection of hoodies, ZARA has decided to subcontract the production in Latin-America. ZARA appointed the Latin American garment wholesaler Texerio to supply the hoodies. Latin America is huge and therefore Texerio uses country-based wholesalers to source specific products. Texerio knows that Brazil is the specialist when it comes to the production of hoodies. Therefore, Texerio contacts the Brazilian garment wholesaler Hozipa to provide the hoodies. Hozipa assigned various producers from Brazil to manufacture ZARA's hoodies. This is how Nolio Inc. was subcontracted to make hoodies for ZARA. Nolio Inc. has a manufacturing factory in Sao Paulo, Brazil. Recently, Nolio Inc. was convicted of employing and exploiting adult migrant workers. The migrants had to work between 16 and 18 hours a day and earned only between \$156 and \$290 a month. However, the minimum wage in Brazil is \$344. Hoodies produced by Nolio inc. are especially shipped in Belgium and sold to Belgian consumers under the ZARA label.

Vignette H&M (2x2, between subject manipulation)	
General introduction of the company H&M is a Swedish multinational retail-clothing company, known for its fast-fashion clothing for men, women, teenagers and children. H&M sell clothes in Belgium through its 85 retail stores. H&M designs its collections but subcontracts the production of the garments to several factories located in different countries.	
Incident severity (H7)	
aa. Low	ac. High
Recently, a fire broke out at Khulna Inc., a garment factory located in Bangladesh that produces t-shirts for H&M. A total of 55 workers were bothered by the smokes but were capable of working the next day. On the day of the accident, 6000 people were working in the factory.	Recently, a fire broke out at Khulna Inc., a garment factory located in Bangladesh that produces t-shirts for H&M. A total of 21 workers died, 34 workers were injured and were unable to work for a week and another 55 workers were bothered by the smokes but were capable of working the next day. On the day of the accident, 6000 people were working in the factory.
Supplier safety management system (SSMS) (H6)	
ba. Functional SSMS	bb. Dysfunctional SSMS
The consequences of the fire could have been worse. But H&M is strongly engaged in worker safety and has developed and successfully implemented a Supplier Safety Management System. Almost all of H&M suppliers carried out renovations mandated by the Supplier Safety Management System. Following H&M safety requirements, Khulna Inc. had implemented a vital, life-saving feature: adequate fire exits and fire exit signs.	The consequences of the fire could have been avoided. H&M is strongly engaged in worker safety and has developed but unsuccessfully implemented a Supplier Safety Management System. Almost none of H&M suppliers carried out renovations mandated by the Supplier Safety Management System. By following H&M safety requirements, Khulna Inc. would have implemented a vital, life-saving feature: adequate fire exits and fire exit signs.

Appendix 2. Webropol online survey

Research survey on consumer's perceptions and behaviour towards fast-fashion multinationals when those multinationals are confronted to accidents involving workers at supplier level.

As part of my master thesis I am running a research survey on Belgian consumer's perceptions and behaviour towards 3 fast-fashion multinationals when those multinationals are confronted to accidents, involving workers, happening at supplier level.

You will be presented with 3 different cases in total and all cases are about fast-fashion multinationals. You will be asked to read the cases carefully and to answer the related questions. The whole survey should not take you longer than 10 minutes to complete.

Thanks in advance for your precious contribution.

Please select one of the H&M experimental cases by clicking on one of the H&M logos. *



Next -->

3% completed

Please read the company description before answering the questions:

H&M is a Swedish multinational retail-clothing company, known for its fast-fashion clothing for men, women, teenagers and children. H&M sell clothes in Belgium through its 85 retail stores. H&M designs its collections but subcontracts the production of the garments to several factories located in different countries.

After reading the H&M company description, please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly Disagree
I am proud of the success of H&M	☐	☐	☐	☒	☐	☐	☐
I am interested in what others think about H&M	☐	☐	☐	☒	☐	☐	☐
When someone praises H&M, it feels like a compliment	☐	☐	☐	☒	☐	☐	☐
If a story in the media criticized H&M, I would feel embarrassed	☐	☐	☐	☒	☐	☐	☐
When someone criticizes H&M, it feels like an insult	☐	☐	☐	☒	☐	☐	☐

Please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly Disagree
H&M is not aware of social issues	☐	☐	☐	☒	☐	☐	☐
H&M does not fulfil its social responsibilities	☐	☐	☐	☒	☐	☐	☐
H&M does not give back to society	☐	☐	☐	☒	☐	☐	☐
H&M does not act in a socially responsible way	☐	☐	☐	☒	☐	☐	☐
H&M sources products from suppliers that do not respect the workers' rights	☐	☐	☐	☒	☐	☐	☐

Next -->

Please read the following case carefully before answering the questions:

Recently, a fire broke out at Khulna Inc., a garment factory located in Bangladesh that produces t-shirts for H&M. A total of 55 workers were bothered by the smokes but were capable of working the next day. On the day of the accident, 6000 people were working in the factory.

The consequences of the fire could have been worse. But H&M is strongly engaged in workers safety and has developed and successfully implemented a Supplier Safety Management System. Almost all of H&M suppliers carried out renovations mandated by the Supplier Safety Management System. Following H&M safety requirements, Khulna Inc. had implemented a vital, life-saving feature: adequate fire exits and fire exit signs.

Please indicate to which extent you agree or disagree with the following statements

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly disagree
A similar accident will happen again in future	☐	☐	☐	☒	☐	☐	☐
The described accident is severe	☐	☐	☐	☒	☐	☐	☐

Please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly disagree
H&M is responsible for the accident	☐	☐	☐	☒	☐	☐	☐
H&M is careless	☐	☐	☐	☒	☐	☐	☐
The accident is the fault of H&M	☐	☐	☐	☒	☐	☐	☐
H&M is to blame for the accident	☐	☐	☐	☒	☐	☐	☐
H&M should be accountable for the accident	☐	☐	☐	☒	☐	☐	☐

Please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly disagree
As a customer of H&M, I would be angry	☐	☐	☐	☒	☐	☐	☐
As a customer of H&M, I would be enraged	☐	☐	☐	☒	☐	☐	☐
As a customer of H&M, I would be offended	☐	☐	☐	☒	☐	☐	☐

Please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly disagree
Following the accident, as a customer, I would do something to harm H&M	☐	☐	☐	☒	☐	☐	☐
Following the accident, as a customer, I would do something to make H&M pay for the accident	☐	☐	☐	☒	☐	☐	☐
Following the accident, as a customer, I would boycott H&M	☐	☐	☐	☒	☐	☐	☐
Following the accident, as a customer, I would stop buying products from H&M	☐	☐	☐	☒	☐	☐	☐

Next -->

Research survey on consumer's perceptions and behaviour towards fast-fashion multinationals when those multinationals are confronted to accidents involving workers at supplier level.

Please select one of the ZARA experimental cases by clicking on one of the ZARA logos. *

ZARA

ZARA

ZARA

Next -->

38% completed

Please read the company description before answering the questions:

ZARA is a Spanish multinational retail-clothing company, known for its fast-fashion clothing for men, women, teenagers and children. ZARA sell clothes in Belgium through its 27 retail stores. ZARA designs its collections but subcontracts the production of the garments to several factories located in different countries.

After reading the ZARA company description, please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly Disagree
I am proud of the success of ZARA	☐	☐	☐	☒	☐	☐	☐
I am interested in what others think about ZARA	☐	☐	☐	☒	☐	☐	☐
When someone praises ZARA, it feels like a compliment	☐	☐	☐	☒	☐	☐	☐
If a story in the media criticized ZARA, I would feel embarrassed	☐	☐	☐	☒	☐	☐	☐
When someone criticizes ZARA, it feels like an insult	☐	☐	☐	☒	☐	☐	☐

Please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly Disagree
ZARA is not aware of social issues	☐	☐	☐	☒	☐	☐	☐
ZARA does not fulfil its social responsibilities	☐	☐	☐	☒	☐	☐	☐
ZARA does not give back to society	☐	☐	☐	☒	☐	☐	☐
ZARA does not act in a socially responsible way	☐	☐	☐	☒	☐	☐	☐
ZARA sources products from suppliers that do not respect the workers' rights	☐	☐	☐	☒	☐	☐	☐

Next -->

Please read the following case carefully before answering the questions:

For its new collection of hoodies, ZARA has decided to subcontract the production in Brazil. ZARA appointed the Brazilian garment wholesaler Hozipa to supply the hoodies. Hozipa assigned various producers from Brazil to manufacture ZARA's hoodies. This is how Nolio Inc. was subcontracted to make hoodies for ZARA. Nolio Inc. has a manufacturing factory in Sao Paulo, Brazil.

Recently, Nolio Inc. was convicted of employing and exploiting adult migrant workers. The migrants had to work between 16 and 18 hours a day and earned only between \$156 and \$290 a month. However, the minimum wage in Brazil is \$344. Hoodies produced by Nolio inc. are notably especially in Belgium and sold to Belgian consumers under the ZARA label.

How many intermediaries are there between ZARA and Nolio Inc. in the situation? *

- ☐ 0
☒ 1
☐ 2

Please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly disagree
ZARA is responsible for the accident	☐	☐	☐	☒	☐	☐	☐
ZARA is careless	☐	☐	☐	☒	☐	☐	☐
The accident is the fault of ZARA	☐	☐	☐	☒	☐	☐	☐
ZARA is to blame for the accident	☐	☐	☐	☒	☐	☐	☐
ZARA should be accountable for the accident	☐	☐	☐	☒	☐	☐	☐

Please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly disagree
As a customer of ZARA, I would be angry	☐	☐	☐	☒	☐	☐	☐
As a customer of ZARA, I would be enraged	☐	☐	☐	☒	☐	☐	☐
As a customer of ZARA, I would be offended	☐	☐	☐	☒	☐	☐	☐

Please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly disagree
Following the accident, as a customer, I would do something to harm ZARA	☐	☐	☐	☒	☐	☐	☐
Following the accident, as a customer, I would do something to make ZARA pay for the accident	☐	☐	☐	☒	☐	☐	☐
Following the accident, as a customer, I would boycott ZARA	☐	☐	☐	☒	☐	☐	☐
Following the accident, as a customer, I would stop buying products from ZARA	☐	☐	☐	☒	☐	☐	☐

Next -->

Research survey on consumer's perceptions and behaviour towards fast-fashion multinationals when those multinationals are confronted to accidents involving workers at supplier level.

Please select one of the C&A experimental cases by clicking on one of the C&A logos. *



Next -->

Please read the company description before answering the questions:

C&A is a Dutch multinational retail-clothing company, known for its clothing for men, women, teenagers and children. C&A sells clothes in Belgium through its 138 retail stores. C&A sources products from several factories located in different countries.

After reading the C&A company description, please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly disagree
I am proud of the success of C&A	☐	☐	☐	☒	☐	☐	☐
I am interested in what others think about C&A	☐	☐	☐	☒	☐	☐	☐
When someone praises C&A, it feels like a compliment	☐	☐	☐	☒	☐	☐	☐
If a story in the media criticized C&A, I would feel embarrassed	☐	☐	☐	☒	☐	☐	☐
When someone criticizes C&A, it feels like an insult	☐	☐	☐	☒	☐	☐	☐

Please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly Disagree
C&A is not aware of social issues	☐	☐	☐	☒	☐	☐	☐
C&A does not fulfil its social responsibilities	☐	☐	☐	☒	☐	☐	☐
C&A does not give back to society	☐	☐	☐	☒	☐	☐	☐
C&A does not act in a socially responsible way	☐	☐	☐	☒	☐	☐	☐
C&A sources products from suppliers that do not respect the workers' rights	☐	☐	☐	☒	☐	☐	☐

Next -->

Please indicate to which extent you agree or disagree with the following statements *

Please read the following case carefully before answering the questions:

C&A has been sourcing basic t-shirts from the Tazreen Fashion Factory for 3 years. During that time, they did not develop a tight collaboration. C&A sells a lot of basic t-shirts but it is not a product that attracts customers in the stores and these t-shirts can be sourced from many factories. Therefore, C&A did not invest time and money in developing the production capacity of the Tazreen Fashion Factory.

Recently, a fire broke out at the Tazreen Fashion Factory, a garment factory located in Dhaka, Bangladesh. A total of 117 workers died and more than 200 were injured. The fire was caused by an electrical short circuit. The short circuit happened because the Tazreen Fashion Factory worker responsible for the maintenance of the electrical installation did not do the maintenance correctly.

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly disagree
The supplier plays an important role in C&A activities	☐	☐	☐	☒	☐	☐	☐
The accident was caused by a worker at the Tazreen Fashion Factory	☐	☐	☐	☒	☐	☐	☐

Please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly disagree
C&A is responsible for the accident	☐	☐	☐	☒	☐	☐	☐
C&A is careless	☐	☐	☐	☒	☐	☐	☐
The accident is the fault of C&A	☐	☐	☐	☒	☐	☐	☐
C&A is to blame for the accident	☐	☐	☐	☒	☐	☐	☐
C&A should be accountable for the accident	☐	☐	☐	☒	☐	☐	☐

Please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly disagree
As a customer of C&A, I would be angry	☐	☐	☐	☒	☐	☐	☐
As a customer of C&A, I would be enraged	☐	☐	☐	☒	☐	☐	☐
As a customer of C&A, I would be offended	☐	☐	☐	☒	☐	☐	☐

Please indicate to which extent you agree or disagree with the following statements *

	Strongly agree	Agree	Somewhat agree	Undecided	Somewhat disagree	Disagree	Strongly disagree
Following the accident, as a customer, I would do something to harm C&A	☐	☐	☐	☒	☐	☐	☐
Following the accident, as a customer, I would do something to make C&A pay for the accident	☐	☐	☐	☒	☐	☐	☐
Following the accident, as a customer, I would boycott C&A	☐	☐	☐	☒	☐	☐	☐
Following the accident, as a customer, I would stop buying products from C&A	☐	☐	☐	☒	☐	☐	☐

Next -->

Please indicate your gender *

- ☒ Male
☐ Female

Please select the age group you belong to *

- ☐ <15
☐ 15-19
☐ 20-24
☒ 25-29
☐ 30-34
☐ 35-39
☐ 40-44
☐ 45-49
☐ 50-54
☐ 55-59
☐ 60-64
☐ 65-69
☐ >69

Please indicate the attained level of education *

- ☐ Primary education
☐ Lower secondary education
☐ Upper secondary education
☒ Bachelor degree
☐ Master degree
☐ PhD
☐ Other

Please indicate the zip code of the Belgian area you live in *

7500

0 characters remaining

Submit

100% completed

