

## IMPACT OF SOCIAL RESPONSIBILITY STRATEGIES ON THE PERCEPTION OF THE EXEMPLARY ORGANISATION IN GLOBAL FASHION INDUSTRY

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**Purpose:** Determining and discussing various strategies on social responsibility and their influence on the image of organization.

**Design/methodology/approach:** The research method used in the paper is mainly a standardized survey conducted on the basis of a questionnaire containing closed and open questions carried out in two exemplary enterprises. The research process was also accompanied by analysis of source documentation.

**Findings:** Research results verify research hypotheses formulated on basis of the paper's objectives, enabling general conclusions.

**Research implications:** Future research directions should focus on further, expanded research exploration in the area, taking into account various industries.

**Practical implications:** The results of the research discussed in the paper have a number of practical implications mainly for the management staff in terms of use of social responsibility strategies.

**Social implications:** Building awareness of social responsibility.

**Originality/value:** The paper has cognitive value for the development of knowledge, science and quality in terms of social responsibility.

**Keywords:** social responsibility, strategic management, image creation.

**Category of the paper:** research paper.

### 1. Introduction

The paper focuses on analyzing the social responsibility strategy of H&M Hennes & Mauritz. H&M is a global fashion brand known for its wide range of clothing products for women, men and children. However the company is also recognized for its commitment to social responsibility activities. The aim of this paper is to examine how H&M's social responsibility strategy influences the company's image and evaluates the effects of these actions on customer relations and local communities.

The paper formulates ten specific research hypotheses that are subject to analysis based on available sources such as H&M's CSR reports, market research and customer opinions. The paper examines the objectives and assumptions of H&M's CSR strategy, including the promotion of sustainable development, ethical business practices as well as charitable and social initiatives. Additionally it investigates how these actions are perceived by customers and their impact on the company's image and customer loyalty.

This research holds crucial significance for both management theory and practice, as it contributes to a better understanding of the relationship between CSR strategy and corporate image. Furthermore the research findings can contribute to the development of recommendations for effective social responsibility practices for companies operating in the fashion industry.

The main objective of the paper is to examine the effectiveness of H&M's corporate social responsibility strategy in shaping a positive company image among consumers. This research topic is of significant importance as CSR has become increasingly important in the business landscape and understanding its impact on consumer perceptions can provide valuable insights for companies like H&M.

To address the main research problem, the paper identifies specific research questions. These questions are aimed to explore various aspects of H&M's CSR strategy, including its goals, actions, effects, customer awareness and the relationship between CSR and customer loyalty. The research also investigates the extent to which H&M's CSR actions align with customer expectations and whether there is a discrepancy between the company's image as presented in CSR reports and customers' opinions.

By addressing these specific research questions, the work aims to provide a comprehensive understanding of H&M's CSR strategy and its impact on consumer perceptions. The findings from this research can contribute to enhancing H&M's CSR initiatives, improving customer engagement and shaping a positive company image. Additionally, the study can provide insights for other companies seeking to develop effective CSR strategies and establish a strong reputation among their target audience.

In conclusion a comparative analysis of the company's image based on CSR reports and consumer opinions is conducted. This comparison aims to identify the alignment between the official image of the company and its perception by consumers.

## **2. The outline of the study**

For the purposes of the research one main problem and eleven specific problems have been identified. The main research problem is: What is the effectiveness of H&M's corporate social

responsibility strategy in shaping a positive company image in the eyes of consumers? Ten specific problems have been identified for the research, including:

1. What are the goals and assumptions of H&M's corporate social responsibility strategy?
2. What actions does H&M take as part of its corporate social responsibility strategy and what are their effects?
3. In which aspects of CSR are H&M's actions most known among respondents?
4. What is the relationship between the frequency of shopping and the importance of CSR values for customers?
5. Do positive opinions about H&M's CSR actions support customer loyalty?
6. Are H&M customers aware of the company's CSR actions and how do they learn about them?
7. What are the most common problems related to clothing production and how does H&M effectively address these problems?
8. What are the most important goals that customers have for H&M's CSR actions?
9. Is there a discrepancy between H&M's image resulting from CSR reports and customers' opinions?
10. Is H&M perceived as a socially responsible company in the eyes of customers?

The above research problems have led to the formulation of the hypotheses. The main and overall hypothesis is as follows: H&M's social responsibility strategy is effective in shaping a positive image of the company in the eyes of consumers, resulting from positive opinions about the company's actions, such as investing in sustainable development, social campaigns and charitable activities, and the identification with the values that the company represents.

For the specific problems formulated above, the hypotheses are as follows:

1. The objectives and assumptions of H&M's social responsibility strategy aim to strengthen the company's positive image and increase consumer engagement by promoting sustainable development, ethical and responsible business practices, as well as charitable and social activities. The aim of this strategy is also to build lasting relationships with customers, employees, and the communities in which the company operates, by demonstrating commitment to solving social and environmental problems.
2. H&M undertakes various activities as part of its social responsibility strategy, such as investing in sustainable development, social campaigns, charitable and social activities, and environmental protection programs. These activities contribute to improving the company's image and increasing consumer engagement, which can lead to revenue growth. At the same time, the effects of these actions may vary depending on their credibility and effectiveness in solving real environmental and social problems.
3. Among the respondents, the most well-known CSR actions of H&M are those related to ecology and sustainable development, such as recycling programs, campaigns to reduce water and energy consumption, as well as investments in sustainable materials and production processes.

4. There is a positive relationship between the frequency of shopping in a store and the importance of CSR values for customers. Customers who are more aware of a company's social responsibility and more interested in its actions towards environmental and societal protection are more likely to shop there and do so more often. In contrast, customers who do not attach such importance to CSR values may be less loyal to the brand.
5. Positive opinions about H&M's CSR actions can positively impact customer loyalty. Customers who perceive H&M's social responsibility actions as authentic and valuable may be more likely to identify with the brand and shop at H&M. Positive opinions about H&M's CSR actions can also contribute to recommending the brand to other customers, which may bring benefits in the form of increased sales and market share.
6. Not all H&M customers are aware of the company's CSR actions, and not all perceive them in the same way. Customers most commonly learn about H&M's CSR campaigns from the internet.
7. The production of clothing is associated with many issues, such as the use of child labor and illegally employed workers, low wages, lack of workplace safety, and environmental impact. H&M takes many actions to address these issues, such as monitoring working conditions in factories, reducing greenhouse gas emissions, promoting recycling, and using renewable materials.
8. Customers expect H&M to act in a socially, environmentally, and ethically responsible manner. In terms of CSR activities, customers expect H&M to reduce greenhouse gas emissions, use environmentally friendly materials, provide safe and fair working conditions for their employees, and monitor their suppliers to ensure that they adhere to similar standards. Customers expect H&M to be transparent in their CSR actions and to keep them informed about progress and results. In addition, customers expect H&M to be actively engaged in social and charitable activities and to support local communities.
9. There is a possibility of a discrepancy between H&M's image resulting from CSR reports and customer opinion. Although H&M may present its CSR activities in a positive light in its CSR reports, customer opinions may be diverse and not necessarily reflect the same positive image. Customers may have different expectations and criteria for evaluating CSR activities, and they may also have different experiences related to the H&M brand, which can affect their opinion of the company's CSR activities. Additionally, customers may be more inclined towards criticism and negative opinions than companies, which can further contribute to the occurrence of discrepancies between H&M's image resulting from CSR reports and customer opinion.

10. Consumer opinions on H&M as a socially responsible company may be diverse. Some customers may believe that H&M is taking sufficient CSR actions and is socially responsible, while others may believe that the company should do more. Moreover, customers may have different concepts of what it means to be socially responsible and what actions should be taken by companies in this regard. Some customers may also base their opinion on positive or negative experiences related to the H&M brand. Therefore, it is difficult to unequivocally state whether in the opinion of consumers, H&M is a socially responsible company.

The research was conducted using a self-administered online survey as well as analyzing the published reports of the examined company (hmgroup.com, 2023) The research was conducted in April 2023. A total of 200 individuals participated in the survey

### **3. Theoretical background**

Social responsibility is increasingly important for today's consumers. Nowadays, customers expect companies not only to make money but also to participate in solving social, environmental and economic problems (Lindgreen, Swaen, 2010). Social responsibility strategy can help a company build a positive brand image by demonstrating that the company is committed to improving people's lives and the environment (Wickert, Risi, 2019). Customers often choose brands that show social responsibility because they feel that their purchases have a positive impact on the world (Maury, 2022). In addition, a positive reputation based on CSR can attract new customers, increase the loyalty of existing customers, attract investors, and attract talented individuals to work for the company (O'Brien, Jarvis, Soutar, Ouschan, 2018).

Many authors describe the role of social responsibility strategy in building a brand image (Emmanuel, Priscilla, 2022). The authors argue that organizations that implement effective corporate social responsibility strategies can gain a competitive advantage by improving their brand image, building customer engagement, and increasing social trust (Lee, Lee, 2018). They emphasize that effective CSR strategies must be integrated with the overall business strategy (Grayson, Hodges, 2017). They should encompass the entire organization from human resources management through the supply chain to customer and community relations (Kotler, Lee, 2008) and (Skowron-Grabowska, 2016).

It is also pointed out that effective CSR strategies should be authentic and aligned with the organization's values to avoid accusations of hypocrisy and criticism from society (Bhattacharya, Smith, Vogel, 2004). An effective CSR strategy can contribute to increased customer engagement, improved brand image, and increased social trust, ultimately leading to improved financial performance and competitive advantage for the company (Kotler, Lee, 2008).

Different models of corporate social responsibility and their impact on brand reputation are analyzed in literature. The authors note that organizations can use CSR as a tool to build a positive brand image, but at the same time warns of possible limitations and pitfalls associated with this approach (Vogel, 2005).

It is often observed that on the one hand, CSR can help build a positive brand image by increasing customer engagement and perception of the organization as socially responsible. On the other hand, the CSR approach may become a source of criticism from society if the organization fails to meet its promises or uses CSR solely for marketing purposes without truly engaging with the community (Vogel, 2005).

Theory notes that not all CSR models are the same and that some models may be more effective than others in building a positive brand image. For example a CSR approach focused on reducing negative impacts of the company's activities such as reducing greenhouse gas emissions, may be more effective in building a positive brand image than an approach focused on supporting social and charitable activities that are not directly related to the company's operations (Werther, Chandler, 2005). Overall some authors emphasize that CSR can be an effective tool for building a positive brand image, but also warns of the pitfalls and challenges in achieving true social responsibility in business (Vogel, 2007).

In turn some authors describe the role of corporate social responsibility strategy as a tool for building reputation and social trust (Singh, Misra, 2022). According to them companies that implement effective CSR strategies gain competitive advantage by improving brand image and increasing customer loyalty (Safeer, Liu, 2023). CSR strategy can help companies build a positive image through engaging in social activities, reducing negative impacts of business operations and developing positive relationships with stakeholders (Freeman, Moutchnik, 2013).

The authors also note that an effective CSR strategy must be integrated with the overall business strategy and consider the needs and expectations of different stakeholder groups such as employees, customers, local communities, investors and suppliers (Vuong, Bui, 2023). It is emphasized that an effective CSR strategy should be authentic and aligned with the organization's values rather than just serving as a marketing tool. Companies that implement effective CSR strategy should strive to achieve a balance between financial gains and social impact to avoid accusations of hypocrisy and build a sustainable reputation as responsible organizations (Wang, Tong, Takeuchi, George, 2016).

Another theoretical approach describes the role of CSR strategy as a key element of economic and social transformation that can contribute to solving global problems (Lindgreen, Swaen, Maon, 2009). CSR can help companies transform their activities in a more sustainable and socially responsible way by incorporating issues related to environmental protection, social responsibility and ethics in their business strategies (Werther, Chandler, 2005). The authors emphasize that effective CSR strategy should be integrated with the overall business strategy

and consider the needs and expectations of different stakeholder groups such as employees, customers, local communities, investors and suppliers (Singh, Misra, 2022).

It is noted that effective CSR strategy can bring financial benefits by increasing employee engagement, improving the company's image, and increasing customer loyalty. Additionally CSR can contribute to the development of new products and services that meet social needs and sustainable development. It is also pointed out that effective CSR strategy must take into account changing social and economic conditions, as well as developing tools and standards in the field of CSR (Kotler, Lee, 2008). The companies are encouraged to collaborate with other stakeholders such as non-governmental organizations, governments or academics to create more effective social and economic solutions (Wickert, Risi, 2019).

CSR strategy is also understood as a process of engaging customers and local communities. Companies should take into account the needs and expectations of their customers and local communities in which they operate and take responsibility for the impact of their actions on these groups. As part of the CSR strategy, companies should operate in a sustainable manner, caring for the natural environment, ethical business practices and including social initiatives in their activities such as supporting local communities or charitable actions (Wickert, Risi, 2019).

It is suggested that companies engage their customers and local communities in decision-making processes, allowing for a better understanding of the needs and expectations of these groups and proposing actions that will be most beneficial to them. For example companies can conduct public opinion research and consultations to learn about the needs and expectations of their customers and local communities and implement appropriate actions (Grayson, Hodges, 2017).

The CSR concept in line with the above proposal can bring many benefits to companies, including a positive image, increased customer loyalty and increased employee engagement. The positive impact of CSR actions on local communities can also translate into better relations with local authorities and increased consumer trust in the brand.

Some authors emphasize that implementing a CSR strategy is essential for any company that wants to achieve long-term success because corporate social responsibility is becoming an increasingly prioritized issue for consumers, employees, investors, and public institutions, which in turn affects the reputation and market position of the enterprise (O'Brien, Jarvis, Soutar, Ouschan, 2018). It is described that a CSR strategy should be an integral part of a company's business strategy, and its objectives should be to minimize the negative impact of the company's actions on society and the environment, maximize the benefits for stakeholders, including employees, customers, local communities, the natural environment, etc. and also create value for the company such as improving its image, building customer loyalty, increasing business efficiency or accessing new markets (Quiles-Soler, Martínez-Sala, Monserrat-Gauchi, 2023).

The authors note that a CSR strategy requires not only the implementation of socially responsible actions but also dialogue with stakeholders and the internal engagement of employees in CSR objectives. The implementation of a CSR strategy should also be based on the definition of measures and indicators that will enable the measurement of the effectiveness of actions and their impact on stakeholders and the environment (SanMiguel, Pérez-Bou, Sádaba, Mir-Bernal, 2021).

According to some authors, the role of a CSR strategy is to integrate socially responsible actions with the business objectives of the enterprise and to create value for stakeholders. The implementation of a CSR strategy requires dialogue with stakeholders and employee engagement and its effectiveness should be measured using appropriate measures and indicators.

The role of corporate social responsibility strategy is described as crucial for sustainable development of companies and society as a whole. The authors emphasize that CSR is an approach aimed at integrating business objectives with social and environmental goals (de Bakker, 2016) and (Skowron-Grabowska, Nowakowska-Grunt, 2017). In this context the CSR strategy is used to establish goals, actions, and processes that enable the company to achieve a balance between business requirements and social requirements.

CSR strategies can take various forms, depending on the context in which the company operates. Examples of strategies include minimizing the negative effects of business activities, implementing principles of ethical business, creating benefits for society and the environment, and striving to address systemic social and environmental problems. According to the authors, an effective CSR strategy requires collaboration with various stakeholders, such as employees, customers, suppliers, non-governmental organizations, governments, and local communities. Through this, the company can increase its reputation and social engagement, which positively affects its image and financial results (Cleff, van Driel, Mildner, Walter, 2018).

CSR strategies are also described as a key element of effective corporate social responsibility management. The authors emphasize that a CSR strategy is a plan of actions aimed at integrating business goals with social and environmental goals. This strategy enables a company to use its resources and competencies to create value for society, the environment and its stakeholders. It is suggested that an effective CSR strategy should be integrated with the business strategy and take into account the goals, values and needs of all stakeholders of the company. Within the framework of the CSR strategy, a company should undertake actions that allow for the minimization of negative impacts of business activity and the creation of benefits for society and the environment (Dhyani, Sharma, 2022).

Some authors stress that an effective CSR strategy requires setting goals and evaluation indicators that enable the company to monitor and assess the effectiveness of its CSR actions (de Bakker, 2016). As part of the CSR strategy, a company should also involve its employees in social programs and implement ethical standards and principles of good business practice.



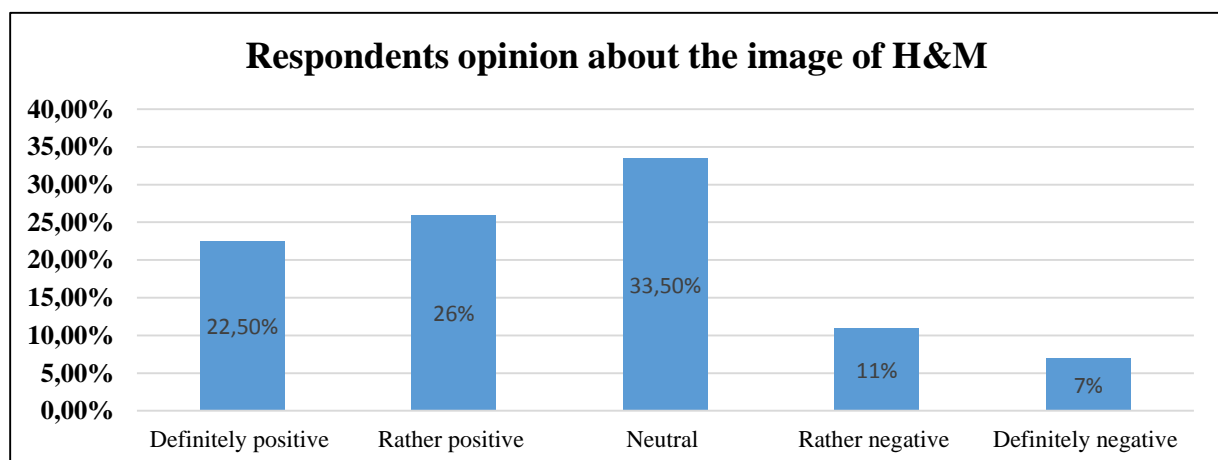
The literature also points to practices related to corporate social responsibility such as sustainable development reporting, investing in local communities and engaging in social initiatives. The authors point out that these practices allow a company to achieve a balance between business requirements and social requirements as well as increase its reputation and social engagement (Martinuzzi, Krumay, 2013).

Summarizing a CSR strategy is a key element of effective corporate social responsibility management. With this strategy, a company can use its resources and competencies to create value for society and the environment and achieve a balance between business requirements and social requirements.

On the other hand it is argued that CSR strategy is described as a key element of integrated reporting (Mamun, Shaikh, 2018). The authors emphasize that integrated reporting is a reporting process aimed at presenting comprehensive and integrated information on both financial results and other aspects of a company's activities such as corporate social responsibility, the environment, quality, health, and safety (Lindgreen, Swaen, Maon, 2009). In the context of integrated reporting, CSR strategy plays a crucial role as it allows for the integration of business goals with social and environmental goals as well as the consideration of the impact of a company's activities on stakeholders and the environment (O'Brien, Jarvis, Soutar, Ouschan, 2018).

#### 4. Summarized and selected research results

According to the study it turns out that 48.5% of the respondents evaluate the image of H&M company as definitely positive or rather positive. The responses are presented in Figure 1 below.



**Figure 1.** Opinions about the image of H&M.

Source: own study

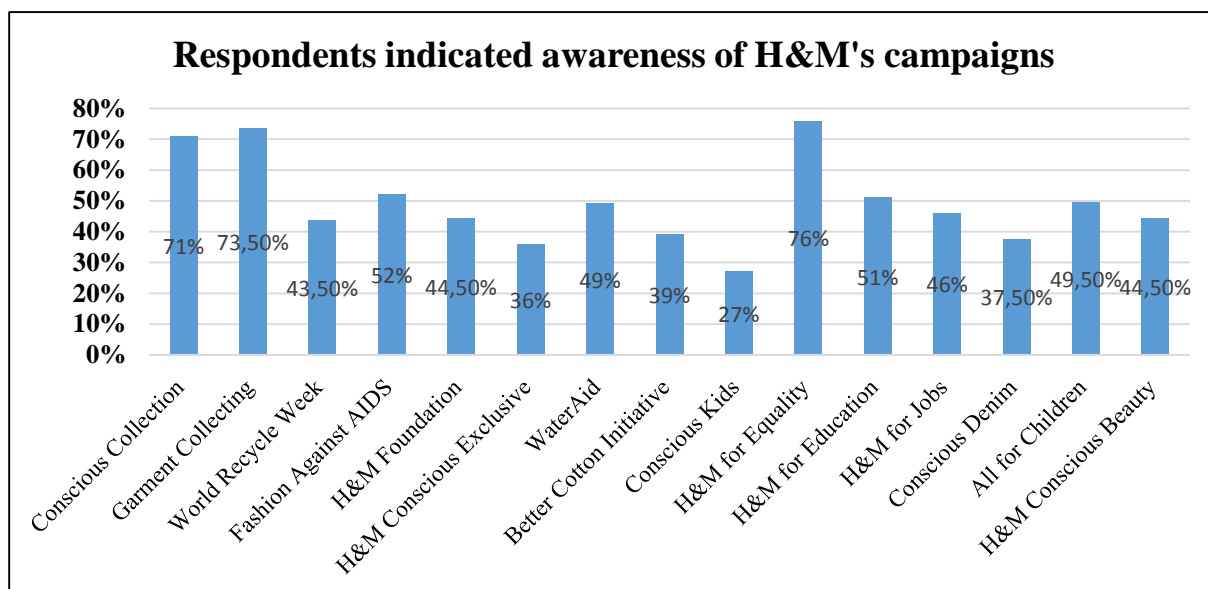
Hence it can be concluded that the majority of respondents hold a positive perception of H&M's image. This finding provides support for the research hypothesis, suggesting that H&M's social responsibility strategy is indeed effective in shaping a positive image among consumers. This positive image is likely influenced by the company's actions, such as its investments in sustainable development, engagement in social campaigns and charitable activities, as well as the alignment of its values with those of the consumers. Therefore, it can be inferred that H&M's social responsibility initiatives have a favorable impact on consumer perceptions and contribute to the overall positive image of the company.

The first research hypothesis: Based on the research findings, it can be concluded that the hypothesis has been confirmed. H&M's reports confirm that the company focuses on promoting sustainable development, ethical business practices and charitable and social activities as part of their social responsibility strategy. H&M's reports provide information on actions taken in environmental protection, such as CO<sub>2</sub> emissions reduction, sustainable resource management, and recycling initiatives. Ethical aspects are also addressed, including responsible supply chain management, workers' rights and initiatives promoting fairness in the workplace. Additionally, the reports reflect H&M's involvement in local communities through support for social, educational and charitable projects. Consequently it can be stated that H&M's reports confirm the company's focus on promoting sustainable development, ethical business practices and charitable activities, which align with the goals and assumptions of their social responsibility strategy. These actions contribute to building a positive company image, increasing consumer engagement and fostering lasting relationships with stakeholders such as customers, employees, and local communities.

The second research hypothesis: Based on the analysis of H&M's CSR reports, it can be confirmed that the hypothesis is supported. The reports provide evidence of H&M's involvement in a range of activities related to sustainable development, social campaigns, charitable initiatives and environmental protection (hmgroup.com, 2023). These actions align with the objectives of their social responsibility strategy and demonstrate the company's commitment to addressing environmental and social challenges. Furthermore the reports highlight the positive impact of these activities on the company's image and consumer engagement. They showcase H&M's efforts in implementing sustainable practices, promoting social causes and contributing to community development. By investing in these initiatives, H&M aims to build a positive reputation, enhance brand loyalty and attract socially conscious consumers. However it is important to consider the credibility and effectiveness of these actions in solving real environmental and social problems. While the reports provide information about H&M's initiatives, further analysis and evaluation are needed to assess the actual outcomes and impacts of these activities (hmgroup.com, 2023). In conclusion, the analysis of H&M's CSR reports confirms the second research hypothesis by demonstrating the company's engagement in various activities related to sustainable development, social campaigns, charitable and social initiatives and environmental protection. These actions contribute to improving the company's

image, increasing consumer engagement, and potentially driving revenue growth. However, further investigation is required to assess the credibility and effectiveness of these actions in addressing environmental and social issues.

The third hypothesis: The information is supported by the findings, as 75% of the respondents confirmed their awareness of CSR actions undertaken by H&M. This indicates that a significant majority of the respondents were familiar with the company's CSR initiatives in the realm of ecology and sustainable development. The respondents' recognition of H&M's activities in areas such as recycling, water and energy conservation campaigns, and investments in sustainable materials and production processes suggests that the company's efforts in promoting environmental sustainability have resonated with the public. H&M's communication and promotion of these initiatives have evidently reached a considerable portion of the surveyed population. In the subsequent part of the survey, respondents indicated their awareness of H&M's campaigns as follows in Figure 2.



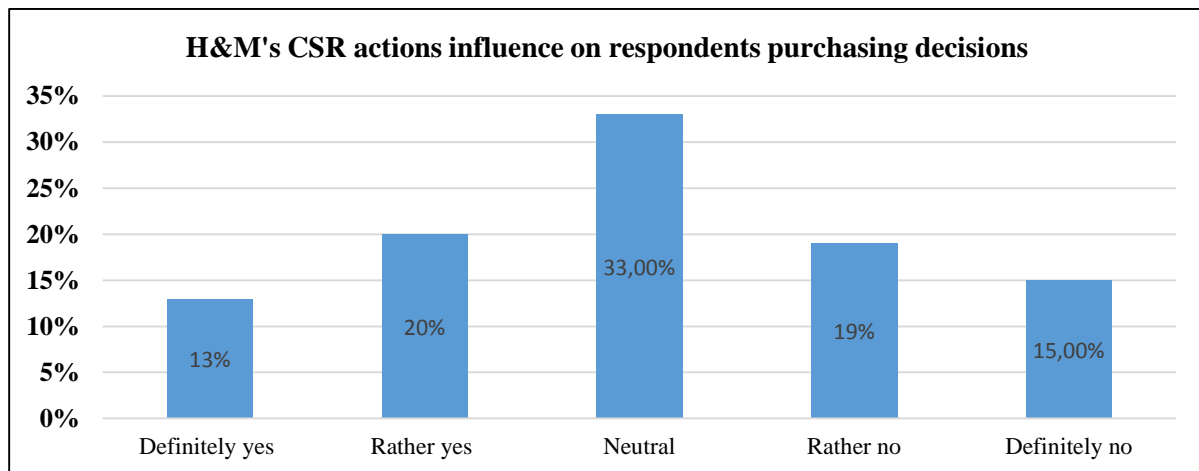
**Figure 2.** Awareness of H&M campaigns.

Source: own study.

Overall, the results confirm the third hypothesis indicating that the respondents' awareness of H&M's CSR actions is primarily centered around ecology and sustainable development initiatives. This recognition underscores the effectiveness of H&M's communication and engagement strategies in promoting their ecological endeavors and fostering public awareness and appreciation for their sustainability initiatives.

The fourth hypothesis: The hypothesis is supported by the findings of the study. The results indicate that customers who attach greater importance to CSR values are more likely to shop at H&M and do so with higher frequency. This suggests that the level of awareness and interest in the company's social responsibility initiatives positively influences customer behavior and loyalty. Customers who recognize and appreciate H&M's efforts in areas such as environmental protection, sustainability, and societal impact are more likely to align their shopping preferences

with their values. The positive relationship between the frequency of shopping and the importance of CSR values implies that customers who prioritize social responsibility are more likely to choose H&M as their preferred shopping destination. On the other hand, customers who do not place a high level of importance on CSR values may be less likely to exhibit loyalty to the brand and may not shop at H&M as frequently. This further supports the hypothesis suggesting that the level of customer engagement and loyalty is influenced by their perception of a company's commitment to social responsibility (Figure 3).

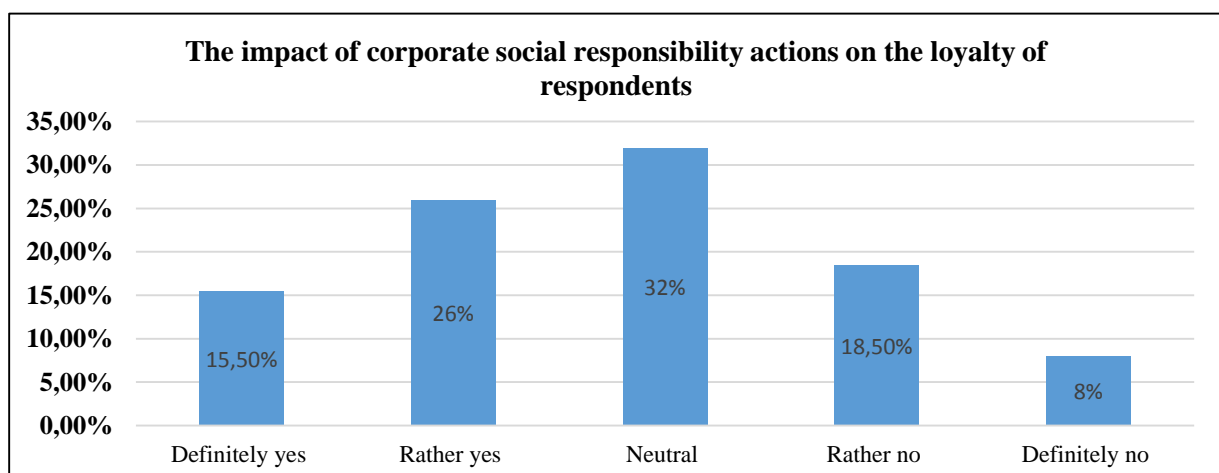


**Figure 3.** H&M's CSR actions influence on respondents purchasing decisions.

Source: own study.

In conclusion, the results confirm the fourth hypothesis, indicating a positive relationship between the frequency of shopping in a store and the importance of CSR values for customers. Customers who are more aware of and interested in H&M's social responsibility actions exhibit higher shopping frequency and are more likely to remain loyal to the brand.

The fifth hypothesis: The hypothesis is supported by the findings of the study. The results indicate that positive opinions about H&M's CSR actions have a positive impact on customer loyalty which is presented in Figure 4.

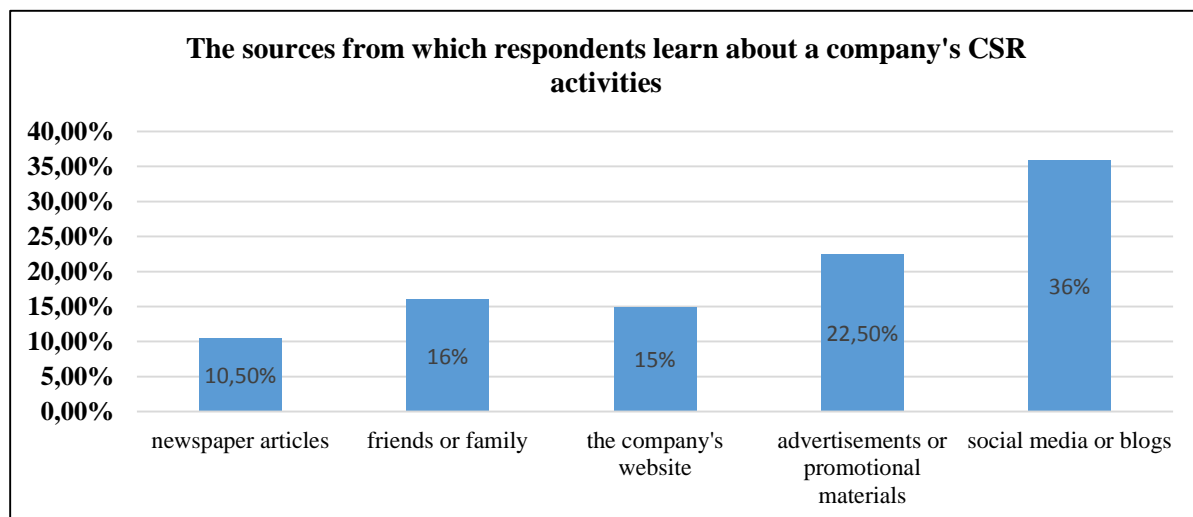


**Figure 4.** The impact of corporate social responsibility actions on the loyalty of respondents.

Source: own study.

Customers who view H&M's social responsibility actions as authentic and valuable are more likely to develop a stronger identification with the brand. They perceive H&M as a responsible and trustworthy company, which influences their purchasing behavior and fosters customer loyalty. Moreover, positive opinions about H&M's CSR actions can also lead to positive word-of-mouth recommendations. Satisfied customers who appreciate the company's commitment to social responsibility are more likely to share their positive experiences with others, promoting the brand and potentially attracting new customers. This positive word-of-mouth can contribute to increased sales and market share for H&M. In conclusion, the results confirm the fifth hypothesis, demonstrating that positive opinions about H&M's CSR actions have a positive impact on customer loyalty. Authentic and valuable CSR actions enhance customers' identification with the brand and their likelihood of shopping at H&M. Additionally positive opinions can stimulate positive word-of-mouth recommendations, further benefiting the company's sales and market position.

The sixth hypothesis: The hypothesis is supported by the findings of the study. The results indicate that 52% of the respondents have heard about H&M's CSR actions, suggesting that a significant portion of the customers are aware of these initiatives (Figure 5).



**Figure 5.** The sources from which respondents learn about a company's CSR activities.

Source: own study.

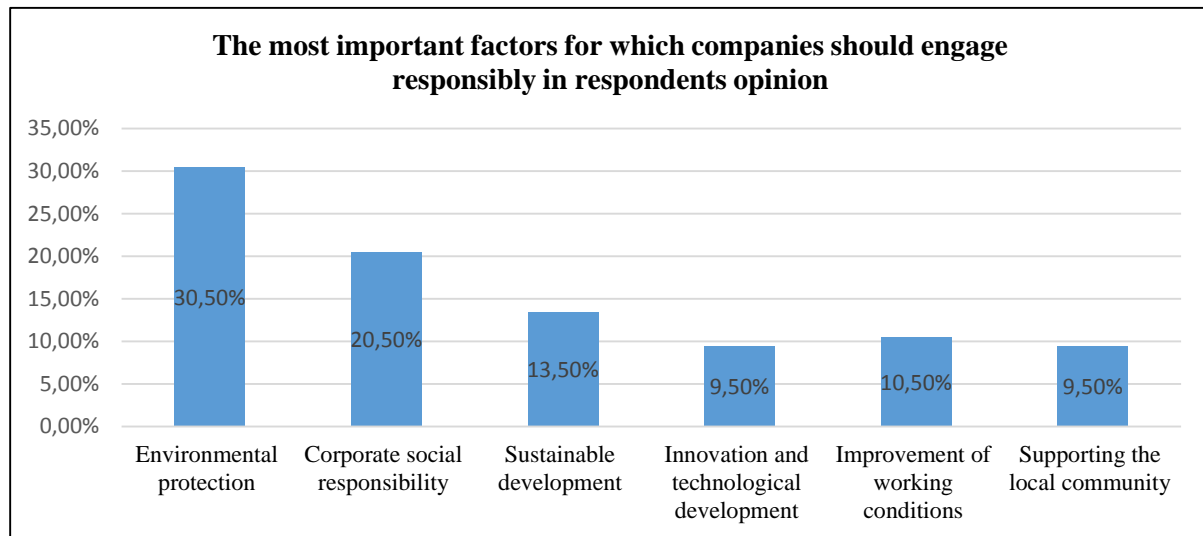
However, it also implies that a considerable number of customers might not have knowledge about the company's CSR actions. Furthermore, among those who are aware of H&M's CSR actions, 36% reported learning about them from the internet. This suggests that the internet plays a significant role in disseminating information about H&M's CSR campaigns to customers. It indicates that online platforms, such as H&M's official website, social media or online news sources are crucial channels for communicating the company's CSR initiatives to the public. In summary, the findings confirm the sixth hypothesis. While a majority of the respondents have heard about H&M's CSR actions a significant portion may still lack awareness. Additionally the internet emerges as the primary source of information for

customers to learn about H&M's CSR campaigns. These findings emphasize the need for effective communication strategies to ensure a broader reach and awareness of H&M's CSR actions among its customers.

The seventh hypothesis stated that the production of clothing is associated with various issues, including the use of child labor and illegally employed workers, low wages, lack of workplace safety and environmental impact. It further proposed that H&M takes multiple actions to address these issues such as monitoring working conditions in factories, reducing greenhouse gas emissions, promoting recycling, and using renewable materials. Analysis of H&M's CSR reports confirms the validity of this hypothesis (hmgroup.com, 2023). The reports provide substantial evidence that H&M is actively engaged in addressing the issues associated with clothing production (hmgroup.com, 2023). The company's efforts to monitor working conditions in factories demonstrate a commitment to ensuring fair labor practices and the avoidance of child labor and illegal employment. Moreover, H&M's initiatives aimed at reducing greenhouse gas emissions, promoting recycling, and utilizing renewable materials align with addressing the environmental impact of clothing production. The reports highlight specific measures and targets undertaken by the company to minimize its ecological footprint and foster a more sustainable fashion industry. By acknowledging these issues and implementing corresponding actions, H&M demonstrates a recognition of the challenges within the clothing industry and a commitment to mitigating their negative effects. Thus, based on the analysis of H&M's CSR reports we can conclude that the seventh hypothesis holds true (hmgroup.com, 2023).

The eighth hypothesis stated that customers expect H&M to act in a socially, environmentally and ethically responsible manner. It further proposed that customers expect H&M to engage in specific CSR activities, such as reducing greenhouse gas emissions, using environmentally friendly materials, providing safe and fair working conditions for their employees, and monitoring suppliers to ensure adherence to similar standards. Additionally, customers expect H&M to be transparent in their CSR actions, keep them informed about progress and results, and actively engage in social and charitable activities while supporting local communities. Based on the survey results this hypothesis holds true. The areas highlighted by the respondents as requiring improvement align with the expectations outlined in the hypothesis. Customers expressed a desire for H&M to focus on reducing greenhouse gas emissions, utilizing environmentally friendly materials and ensuring safe and fair working conditions for their employees. Transparency was also emphasized, with customers expecting H&M to provide clear and accessible information about their CSR initiatives, progress and outcomes. This aligns with the expectation for H&M to be accountable and communicative in their efforts. Furthermore, customers emphasized the importance of H&M's active engagement in social and charitable activities, along with their support for local communities. This indicates a desire for H&M to contribute positively to society beyond its core business operations. In conclusion the survey results confirm the validity of the eighth hypothesis, as the areas

identified by the respondents align with the expectations customers have regarding H&M's CSR activities (Figure 6).



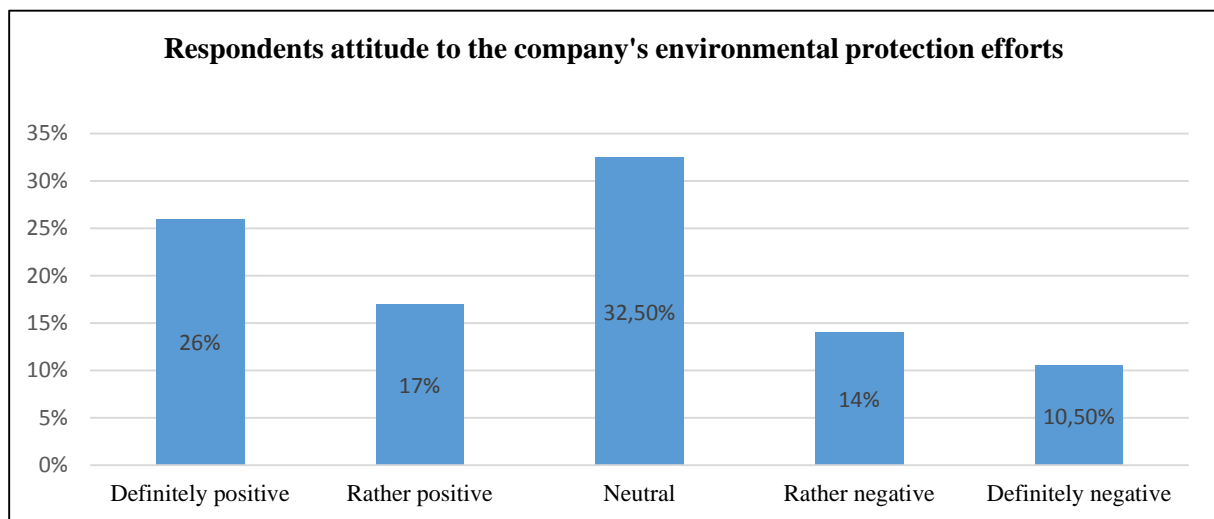
**Figure 6.** The most important factors for which companies should engage responsibly in respondents opinion.

Source: own study.

These insights provide valuable guidance for H&M in terms of addressing customer expectations and further enhancing their social, environmental, and ethical responsibilities.

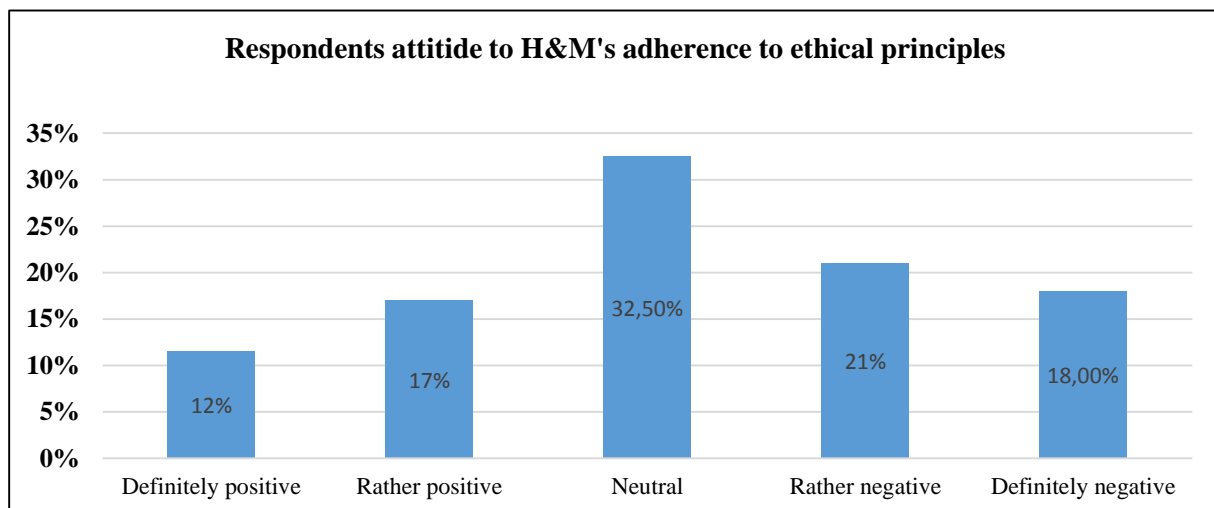
The ninth hypothesis suggested the possibility of a discrepancy between H&M's image resulting from CSR reports and customer opinions. It acknowledged that while H&M may present its CSR activities positively in its reports, customer opinions can vary and may not necessarily align with the same positive image. Customers may have different expectations and criteria for evaluating CSR activities, as well as diverse experiences related to the H&M brand, which can influence their opinions of the company's CSR efforts. Furthermore customers may be more inclined towards criticism and negative opinions compared to companies which can contribute to the occurrence of discrepancies between H&M's CSR image and customer opinions. Upon analysis of the survey data it can be concluded that this hypothesis holds true. A portion of the respondents agree with the positive image presented by H&M's CSR reports, indicating alignment between the company's communication and customer perception. However, there are also respondents who hold differing opinions, indicating a discrepancy between H&M's CSR image and their perception. The diverse opinions among customers can be attributed to various factors such as individual values, personal experiences and different interpretations of CSR actions. Some customers may have higher expectations or different criteria for evaluating H&M's CSR activities, leading to varying opinions. It is important for H&M to recognize this discrepancy and consider the diverse perspectives of its customers. By understanding the range of opinions and addressing potential areas of improvement, H&M can work towards narrowing the gap between its CSR image and customer opinions. This may involve enhancing communication, seeking feedback from customers and actively

addressing concerns and suggestions related to CSR practices. In conclusion, the survey results confirm the existence of a possibility for a discrepancy between H&M's image resulting from CSR reports and customer opinions. While some respondents align with the presented image, others hold differing opinions, emphasizing the importance for H&M to engage with customer feedback and continuously improve their CSR practices to bridge this gap. However it can be concluded that the image presented by H&M in its CSR reports is rather aligned with consumer opinions. A significant majority of respondents expressed positive views regarding H&M's actions in the areas of environmental protection, ethics, and supporting local initiatives (Figures 7-9).



**Figure 7.** Respondents attitude to the company's environmental protection efforts.

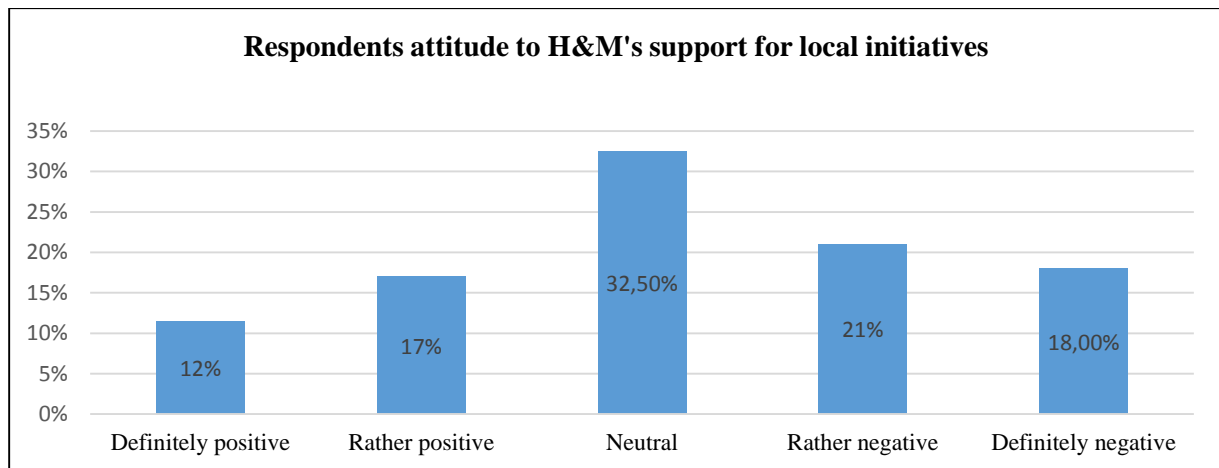
Source: own study.



**Figure 8.** Respondents attitude to H&M's adherence to ethical principles.

Source: own study.

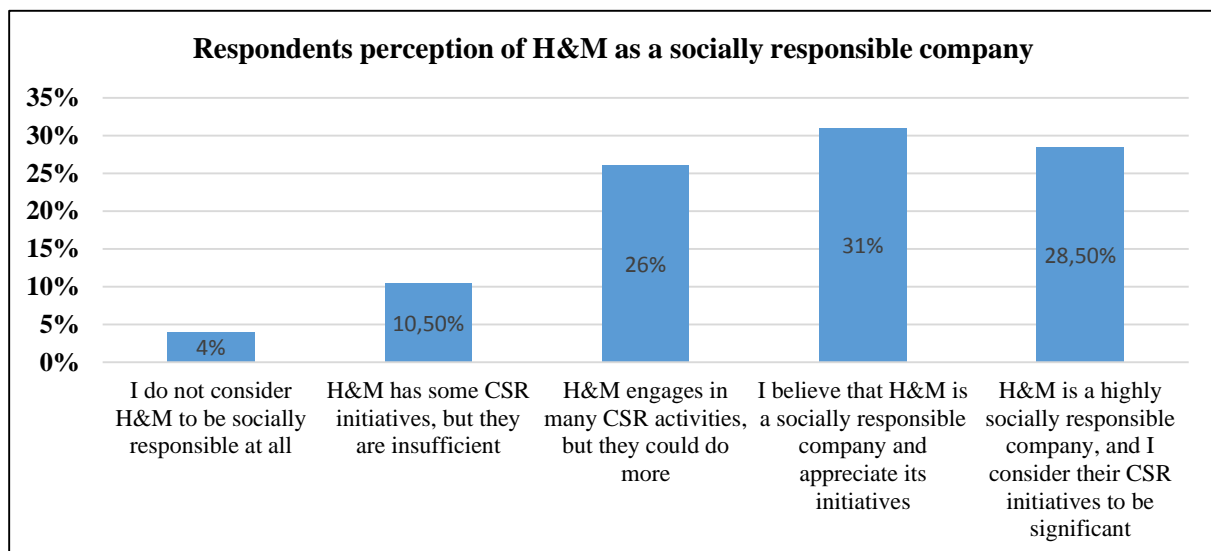




**Figure 9.** Respondents attitude to H&M's support for local initiatives.

Source: own study.

The tenth hypothesis stated that consumer opinions on H&M as a socially responsible company may be diverse. It acknowledged that some customers may perceive H&M as taking sufficient CSR actions and being socially responsible while others may believe that the company should do more in this regard. Additionally, customers may have different understandings of what it means for a company to be socially responsible and what specific actions they expect from H&M. Individual experiences, both positive and negative with the H&M brand can also influence customer opinions (Figure 10).



**Figure 10.** Respondents perception of H&M as a socially responsible company.

Source: own study.

Consequently it is challenging to definitively determine whether consumers consider H&M to be a socially responsible company. Based on the survey results it can be concluded that this hypothesis holds true. The findings indicate a range of opinions among respondents regarding H&M's social responsibility. Some customers perceive H&M as actively undertaking CSR actions and view the company as socially responsible. They acknowledge the efforts made by

H&M in areas such as sustainable practices, ethical sourcing and community engagement. On the other hand there are customers who believe that H&M should do more in terms of social responsibility. They may have higher expectations or different criteria for evaluating the company's CSR actions. These customers may express a desire for H&M to address specific issues, increase transparency or prioritize certain aspects of social responsibility. The diversity of opinions on H&M's social responsibility is influenced by individual perspectives, values, and experiences. Customers' understanding of what constitutes social responsibility can vary leading to different assessments of H&M's efforts. Given the varied responses it is important for H&M to consider the range of opinions and feedback from customers. The company can use this information to continuously improve its CSR practices align with customer expectations and address any concerns or areas for enhancement. In summary the survey results support the validity of the tenth hypothesis, highlighting the diverse consumer opinions regarding H&M's social responsibility. Acknowledging this diversity and actively engaging with customer feedback can assist H&M in further strengthening its CSR initiatives and meeting the expectations of its customer base. The analysis of results indicates that H&M shapes its CSR activities well, contributing to a positive company image and customer engagement. The company focuses on promoting sustainable development, ethical business practices as well as charitable and social initiatives.

## 5. Conclusion

The following conclusions have been reached from the analysis and research.

- The findings provide support for the assumption, suggesting that H&M's social responsibility strategy is indeed effective in shaping a positive image among consumers.
- H&M's reports confirm the company's focus on promoting sustainable development, ethical business practices and charitable activities, which align with the goals and assumptions of their social responsibility strategy. These operations significantly contribute to creation of a firm's positive image, increasing consumer engagement as well as fostering lasting relationships with stakeholders such as customers, employees and local communities.
- The research demonstrates the company's engagement in various activities related to sustainable development, social campaigns, charitable and social initiatives, and environmental protection. These actions contribute to improving the company's image, increasing consumer engagement and potentially driving revenue growth.
- Respondents' awareness of H&M's social responsibility actions is primarily centered around ecology and sustainable development initiatives.

- The results indicate that customers who attach greater importance to CSR values are more likely to shop at H&M and do so with higher frequency.
- Positive opinions about H&M's CSR actions have a positive impact on customer loyalty.
- While a majority of the respondents have heard about H&M's CSR actions a significant portion may still lack awareness.
- The reports provide substantial evidence that H&M is actively engaged in addressing the issues associated with clothing production.
- The survey results confirm the assumption that the areas identified by the respondents align with the expectations customers have regarding H&M's CSR activities.
- The survey results confirm the existence of some possibility for a discrepancy between H&M's image resulting from CSR reports and customer opinions to some extent.
- The analysis results indicate that H&M shapes its CSR activities well contributing to a positive company image and customer engagement. The company focuses on promoting sustainable development, ethical business practices as well as charitable and social initiatives. H&M's CSR reports confirm that the company takes concrete actions to address social and environmental issues.

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