Bachelor's thesis (Turku University of Applied Sciences)

Degree programme in International Business

International Business Management

2014

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SUSTAINABILITY IN BUSINESS

- Three case studies from textile industry



BACHELOR'S THESIS | ABSTRACT TURKU UNIVERSITY OF APPLIED SCIENCES

Degree programme in International Business

2014 | 43 + 14

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SUSTAINABILITY IN BUSINESS- THREE CASE STUDIES FROM TEXTILE INDUSTRY

Climate change and news about the poor conditions in factories in developing countries are the reasons why customers are becoming environmentally and ethically conscious when it comes to the clothing and other textiles. There are already companies who are sustainable or looking for ways to become more sustainable: they care for environment and they know their customers are becoming more conscious.

This thesis explores three companies related to the textile industry and how these companies incorporate sustainability in their actions: what sustainability actions they take, where their motivation lies and what is important to succeed when involving sustainability in business actions. Representatives of Saana & Olli, Boomerang and Mammu were interviewed to discover these issues. Qualitative research methods were used for this research. Previous to empirical part, related literature was explored: importance of sustainability, issues to consider when doing business sustainably and market development were looked at. To show the actuality of sustainability among consumers and in the industry, current news from media were explored as well.

It was discovered that Saana & Olli, Boomerang and Mammu, companies implementing sustainability in their conduct and longing to increase, and develop it, put quality product as the basis for their success and sustainability as an extra value to it. They are motivated by their personal interest and belief that customers growingly appreciate nature friendly materials used and ethical production conditions.

KEYWORDS:

Sustainable, Ethical, Environment friendly, Nature Friendly, Textile industry, Clothing, Fashion

OPINNÄYTETYÖ (AMK) | TIIVISTELMÄ TURUN AMMATTIKORKEAKOULU

Degree Programme | International Business Management

2014 | 43 +14

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SUSTAINABILITY IN BUSINESS- THREE CASE STUDIES FROM TEXTILE INDUSTRY (KESTÄVÄ KEHITYS LIIKKETOIMINNASSA- KOLME TAPAUSTUTKIMUSTA TEKSTIILITEOLLISUUDESTA)

Ilmastonmuutos ja uutiset huonoista olosuhteista tehtailla kehitysmaissa ovat saaneet kuluttajat kiinnittämään huomiota vaatteiden ja muiden tekstiilien alkuperään. Samaan aikaan useat yritykset ovat kehittäneet kestävää liiketoimintaa tai etsineet keinoja toteuttaakseen kestävää kehitystä. Nämä yritykset ovat luonnonystävällisiä ja varsin tietoisia asiakkaiden vastuullisesta kulutuskäyttäytymisestä.

Tämä opinnäytetyö käsittelee kolmea tekstiilialan yritystä, ja sitä, miten yritykset ovat sisällyttäneet kestävän kehityksen ideologiaa toimintaansa: millaiset ovat toimintatavat, motivaatio ja miten yritykset onnistuivat. Edustajia Saana & Olli:sta, Boomerang:ista ja Mammu:sta on haastateltu tutkimuksen yhteydessä.

Tutkimus tehtiin käyttäen kvalitatiivisia tutkimusmenetelmiä. Haastatteluiden lisäksi käytettiin aiheeseen liittyvää kirjallisuutta; aiheina mm. kestävän kehityksen tärkeys, yrityksen kestävään kehitykseen tähtäävän liikeidean liiketoimintamallit ja markkinatilanteen kehitys. Aiheen ajankohtaisuuden vuoksi tutkimuksen osaksi haluttiin ottaa myös tiedotusvälineiden näkökulma.

Haastatellessani yrityksiä, Saana & Olli, Boomerang ja Mammu, jotka ovat ottaneet kestävän kehityksen osaksi liiketoimintamalliaan ja sitoutuneet lisäämään sen osuutta, sekä kehittämään sitä, kävi ilmi, että se oli olennainen osa yritysten menestystä. Näissä yrityksissä on vahva usko siihen, että asiakkaat tulevat kasvavassa määrin valitsemaan tuotteensa sellaisista yrityksistä, jotka arvostavat heidän käyttämiään luontoystävällisiä materiaaleja sekä eettisiä tuotantomenetelmiään.

ASIASANAT:

Kestävä kehitys, Eettinen, Luontoystävällinen, Tekstiiliteollisuus, Vaatetus, Muoti

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Table 1. Sustainable actions, motivation and grounds for success.

LIST OF ABBREVIATIONS

DfE Design for environment; environmental considerations are

included in the product development process (Poltorzycky,

2001, p.57).

Lohas Lifestyle of health and sustainability is a demographic

defining for a particular market segment related to sustainable living, "green" ecological initiatives, and generally composed of a relatively upscale and welleducated population segment (Wikipedia, 2014).

SME Small and medium size entrepreneurship.

1 INTRODUCTION

"The way we produce and consume contributes to global warming, pollution, material use, and natural resource depletion. The impacts of consumption in the EU are felt globally [...]. The need to move towards more sustainable patterns of consumption and production is more pressing than ever." (European Commission, 2008.)

As a response to environmental problems, interest and need for sustainably made products is growing faster than ever at the moment (Mäki, 2014). Every third person in Finland makes his or her purchase decisions according to ethical and ecological values. Besides environmental concerns, consumers have realized the dark side of business (Mäki, 2014): miserable conditions in the factories in developing countries.

Growing consumers' consciousness stimulates businesses to adapt more nature friendly and fair manners of production. For humankind, to survive, ecological thinking should be incorporated in all the levels and types of conduct of humans, governments and businesses; but green business is not a charity, it has to compete with and beat non-green businesses, green credentials cannot overcome mediocre performance, poor design and soppy branding, all the normal rules of a business apply for green businesses as well. (Kane, 2010, p.16-17.)

There are different standing points in which companies decide to turn green: it can be an existing company or start-up, maybe social business. Each of those has different starting point and motivation. There are cases when company has conducted against environment and turning green might be an attempt to improve its public face (so called "green-washers"). Turning green for existing company means to redesign its business model; meanwhile start-up can create a fresh brand strictly associated with sustainability (Kane, 2010, p.17-19). Same rules apply for social enterprises: to make it profitable and really sustainable, product must be worth of money in the first place.

Because consumers have become so environmentally conscious, nature friendliness is almost the question of company's hygiene: nobody wants to get to the black list for environmental unfriendliness, because it might be difficult to get off this list (Mäki, 2014).

1.1 Motivation

I became interested in sustainability because of my own consumption habits and experiences. I shop a lot and later give away or sell at thrift shops my things I do not like or do not use anymore. Often reasons to get rid of these things are their poor quality or being out of fashion. I realize my own habits being nature unfriendly, as well I ponder in what conditions goods are made. Recently I have became aware and have realized that there are various companies who have their products made in nature friendly and ethically correct manner.

As a business student I found it to be interesting to explore what stands behind these sustainable businesses: what made them to incorporate sustainable actions into supply chain, how they succeed, and do they see their competitive advantage in sustainability.

Sustainability concerning issues in the textile and fashion industries are in the spotlight at the moment. Few years ago organic food became widely available to consumers via supermarkets. Recently, largely as a response to consumers growing consciousness about how the goods are made, giant apparel retailers have started to sell conscious apparel collections and involve other sustainable actions into their conduct: for instance, used garment return to the stores in exchange for discount from the next purchase (H&M, 2014).

1.2 The objective of the thesis and research questions

The objective of this thesis is to research how three textile related SME incorporate sustainability in their conduct. Companies Saana & Olli, Boomerang and Mammu were interviewed to answer research questions:

1. In what manner company is sustainable?

- 2. What is the motivation to be sustainable?
- 3. What is essential to succeed while being sustainable?

Saana & Olli is a design couple and a design company from Turku, Boomerang is a Swedish casual clothing company; Mammu is a social business from Latvia. Three companies were chosen as an optimum number in order to discover possible similarities and differences between the stated sustainable businesses. Such a number of cases provides enough grounds for comparison and plausible conclusions related to the general trends in the textile industry.

1.3 The structure of the thesis

Thesis structure leads from overall situation and general trends into the micro level of the case studies.

The following chapter Literature Review comprises foundations of sustainability and its actuality, constitutive lessons on how to succeed when incorporating sustainability in the company's operations, and a short green market problematics. Additionally, Literature Review is supplemented by subject related media tidings.

Chapter three, Methodology, describes research methods and research process.

Chapter four, Three Sustainable Examples or empirical part of the thesis, separately explores cases of Saana & Olli, Boomerang and Mammu. In the summary of empirical part research findings are summarized in the Table 1.

Conclusion (Fifth chapter) contains research findings and provide suggestions for further research.

1.4 A problematic of terminology

Idea of sustainable development is to meet "the needs of the present without compromising the ability of future generations to meet their own needs" (WECD, 1987).

Relating to the business, sustainability can be explained as follows: sustainable business, or green business, is an enterprise that has minimal negative impact on the global or local environment, community, society, or economy. Often sustainable businesses have progressive environmental and human rights policies. (Cooney, 2009, p.4-7.)

In the field of business, sustainability requires the conciliation of profit objectives, respect for the environment and the satisfaction of the firm's stakeholders — customers, employees, suppliers, subcontractors and the local community. The pressure by the public and customers, the new government regulations and the desire to gain a competitive advantage drive firms to position themselves towards social and environmental stakes in an effort to improve their image. Additionally there are internal factors driving firms to implement green supply practices: and those are the personal commitment of managers and investors, as well as the desire to reduce costs by minimizing waste and pollution. (Crespin-Mazet & Dontenwill, 2012, p.1.)

Interchangeable use of *sustainability* related terms was a cause of confusion in the initial phases of my research. For instance, Cooney (2009), Ottman (1998), Hawken (2010) use term *sustainability* interchangeably with other terms like *green* (designed to protect the environment or to limit damage to the environment (Macmillan Dictionary, 2014)), *or environmentally friendly* (designed not to harm the natural environment (Macmillan Dictionary, 2014)), or *ecological* (working to protect the environment (Macmillan Dictionary, 2014)).

Sustainability is a comprehensive term; differently than *green* or *ecological*, sustainability includes social aspects as well. Figure 1 visualizes all the elements contributing to the sustainability: environment friendliness, economical profitability and social responsibility.



Figure 1. Triple bottom line of sustainability (Power House Growers, 2014).

No company can claim being sustainable if social aspects of sustainability are left unnoticed. Therefore I aim to use term *sustainability* in this thesis; still, interchangeable use with other terms is inevitable.

2 LITERTURE REVIEW

Because of the actuality of ecological and ethical concerns in textile industry, there are various books and articles available on the subject. Additionally, media almost daily reports on problems, actualities, as well as innovations and sustainable businesses.

2.1 Why sustainability is important

In 1992 in the United Nations Environment and Development Conference in Rio de Janeiro accepted action plan it was stated that the existing unsustainable production and consumption habits are the main reason why the climate change occurs. Industrial countries, even if just one fifth of the human population lives there, burden the environment incomparably more than other countries. (Ecoefficiency and Factors, 1998, p.10.) The existing trends of industry and consumption are obviously damaging the environment and Earth is not able to keep up with the existing levels of extraction. For this reason producing more for less is inevitable. (Eco-efficiency and Factors, 1998, p. 9.)

Origins and development of sustainability and first real sustainability actions originate from the almost after war West Germany and its chemical industry (Jones & Lubinski, 2013, p.31). In the aftermath of the Second World war, when it was necessary to build the country and industry from ruins, pollution was excused and seen as a price for growth and development. Later, when West Germany became prosperous, as well as its chemical industry, environmental concerns grew: people complained about different damages they experienced; the Green Party entered the parliament. 1977 Germany's chemical giant's Bayer representative Grunewald in interview for Der Spiegel, made it clear, that correct environmental policies were a corporate responsibility, and that damage control was not sufficient; so Grunewald told to the newspaper that Bayer just does not want to repair the environmental damage but to avoid it from the outset. (Jones & Lubinski, 2013, p.31.) Additionally Grunewald noted that environmental investments were an innovation opportunity for the firm: "When you introduce

research for environmental protection, you also create more value." (Jones & Lubinski, 2013, p.31.)

According to Jones & Lubinski (2013), this was an early articulation of the now widespread phenomenon as "eco-business" – the use of sustainability strategies by large firms to make efficiency gains and enhance brand value (Jones & Lubinski, 2013, p.31). However, these are rather pioneer and example cases of early days in development of sustainability.

Stern Review (Stern, 2006) proves that "climate change is the greatest and widest-ranging market failure ever seen" (Osborne, 2006). The main inference related to economic impacts of climate change is that the benefits of strong, early action considerably outweigh the costs" (Osborne, 2006) of climate change. Unabated climate change will cost at least 5 % of world's gross domestic product every year (Osborne, 2006).

According to Hawken (2010) commerce lacks ecological principles; and what is good for business, is almost always bad for nature (Hawken, 2010, p.65) and by the rules in the use up till nowadays, business is not properly designed to adapt the situation the Earth faces now (Hawken, 2010, p.6). Existing conventional way of production means using wasteful methods, because it is the cheapest and the most cost effective way in most cases. On contrary, in a restorative economy, as Hawken (2010, p.84) states, the least expensive means of manufacturing should also be the most environmentally benign and constructive means. Otherwise there is an inherent design flaw in business when "economic" and "sustainable" are in conflict. (Hawken, 2010, p.84.)

Textile and clothing industries provide a great example of unsustainability. This industry is stimulated by high demand from consumers because of the affordable garment prices. Behind these affordable garments stand low paid workers and nature unfriendly ways of manufacture. Clothing and textile industry is subject to severe ecological and social problems in most of the phases of the supply chain from fibre to clothing production (Hansen & Schaltegger, 2013). Hansen and Schaltegger (2013) note that "over the last few decades the clothing industry has

faced price pressure, exacerbating its efforts to become more sustainable" (Hansen & Schaltegger, 2013); seeking for cost advantage has led to the outsourcing from Europe and US to emerging and developing countries. (Hansen & Schaltegger, 2013, p.586.) Subsequently, there are left just value adding services like design and brand management of the supply chain in the Western countries (Hansen & Schaltegger, 2013, p.586). Production relocation to lowwage countries makes impossible overseeing of labour and ecological practices at supplier sites (Hansen & Schaltegger, 2013, p.586).

Copenhagen Fashion Summit is organized every other year by the Danish Fashion Institute. In this summit entrepreneurs, specialists and organizations of the fashion industry, trendsetters and also politicians from ministry levels come together to discuss the situation in the industry (Karske, 2014). In the first summit in 2009, which was organized under the United Nations Climate Change conference, problems of the fashion industry were recognized. This year participants of the summit were seeking for possible solutions in order to achieve social and ecological sustainability in the industry: Karske (2014) states that participants of the summit have recognized that there is no future in the industry without increasing sustainability. (Karske, 2014.)

The general problem to become more sustainable is a lack of will to invest due to the weak belief in investments raising profits: "Efficiency should be the common ground between economics and ecology; it represents the bridge to a restorative economy" (Hawken, 2010, p. 154). According to Hawken (2010, p.6-7) environmental damage has been long seen as a natural price for industrial development and prosperity. Karske (2014) similarly states that the greatest obstacle to achieve greater level of a sustainability in the fashion industry, is the money, e.g., there are investments needed but companies do not believe to earn their investments back (Karske, 2014). Still, aaccording to the industry's giant H&M, consumers interest in sustainability values has been growing for 21 per cent (Karske, 2014).

Changes in consumers' attitude are one reason for companies to adapt more sustainable principles. Other motifs to change and implement new ways of

production are: escaping regulations, preparing for new regulations or, for some companies, it is essential for their marketing; but some really believe in sustainability and want to become more socially responsible. (Hawken, 2010, p.x.)

In the fashion and textile industry there are organisations joined on the basis of free will aiming to improve industry's environment. The Sustainable Apparel Coalition which "is a trade organization comprised of brands, retailers, manufacturers, government, and non-governmental organizations and academic experts, representing more than a third of the global apparel and footwear market. The Coalition is working to reduce the environmental and social impacts of apparel and footwear products around the world." (Sustainable apparel Coalition, 2014.)

Returning to the customers' attitude towards sustainably made products: not all the news are completely positive on the growth of interest in sustainability. There are sources to indicate that society in Europe is quite reluctant on the discussion about the climate change at the moment due to the economic recession (Boxberg, 2014). In the same time people are concerned and worried (Boxberg, 2014). Besides environmental concerns, increasing imports and globalization in the last decade has made people question the place and source of production (Goworek, 2001, p.75).

Climate change as a consequence of nature unfriendly and damaging modes of production, as well as often socially irresponsible and unfair manufacture conditions, are the main reasons, why increase of sustainability is essential in business.

2.2 How to succeed while being sustainable

In the previous chapter it was admitted that many companies are unwilling to invest in sustainability due to the disbelieve investments to generate revenues (Karske 2014; Hawken, 2010). This chapter will describe essential and general advices to succeed when integrating sustainability into companies operations.

"The environmental value and business value represent "two shades of green"" (Poltorzycky, 2001, p.xi). Those are shades of money and of environment; same idea is applicable in the cases when there is other ethical elements in production involved. This is an essential statement to succeed in sustainable business. "Business is business" and it is to gain profit even if it follows ethical or environmental ideas.

Same essential idea was represented by Kane (2010): "A green business is not a charity" (p.16). Creating sustainable business means improving business. Green business must compete with conventional business, therefore sense of business must prevail. (Kane, 2010, p.16.) Reason, why Kane (2010) and Ottman (1998) remind of these elementary truths, is that many businesses have failed for overstating green properties of the product.

Kane (2010) refers to the United States green marketing guru Ottman (1998) that too many products end up in the "green graveyard" because of the miscalculation that products green and sustainable elements can overcome "mediocre performance, poor design and soppy branding" (Kane, 2010, p.16). On the contrary, "successful green products, look good, perform well and are branded to make clear the benefits of the product to the user rather than the planet" (Kane, 2010, p.16).

Figure 2. Creating environmental and sustainable business value visualize general steps to take into account when involving sustainability in the business. Those are not any different than for conventional business. This is the "homework" entrepreneur must do before going sustainable.



Figure 2. Creating environmental and sustainable business value (Poltorzycky, 2010, p.xii).

In future, Poltorzycky (2001, p.xi) and Hawken (2010) see the business strategies developing in the way that business and environmental values will become fully integrated. According to Hawken (2010): "sustainability is one of the most certain paths to innovation for companies seeking a competitive edge." (Hawken, 2010, p. xx)

In general, actions leading to greater sustainability are: pollution incident prevention, waste minimization and recycling, energy efficiency, water conservation, green procurement, green transport planning and carbon offsetting (Kane, 2010, p.76). However, as these steps do not make company completely sustainable, so Kane (2010), similarly to Hawken (2010), states that in order to achieve full sustainability, even greater steps have to be taken. Those are: changing the production process so the result would be cleaner production or changing supply chain to make possible use of renewable energy; or building eco buildings, changing product design to be ecological, adopting new product service systems, as well as utilizing synergies between the above. These actions require greater investments as well. (Kane, 2010, p.110.)

To successfully involve sustainability in the production processes, there are several paces, named design for environment (DfE), to be considered in the product development process (Poltorzycky, 2001, p.61). It means to include environmental issues in the early stage of product development process and product development by cross- functional team to ensure sustainability in all the stages of product creation. Additionally, process must be customer driven and product attractive for customers before any green or environmental credentials. Pilot projects can be very useful, but metrics like added value, cost savings, competitive advantage, and not alone environmental results have to be kept in mind. (Poltorzycky, 2001, p.60-61.)

Growing scarcity of raw materials and therefore growing prices for raw materials have increased recycling: creation of raw material from waste is an alternative and partly problem solving alternative. According to Hawken (2010), " an ecological model of commerce would imply that all wastes have value to other modes of production so that everything is reclaimed, reused or recycled (Hawken,

2010, p.15);" and we "should not have to pay more for raw materials that are produced in a sustainable manner" (Hawken, 2010, p.16). Waste can be turned into a quality raw material e.g. upcycled. For example, in the textile industry recycling is already widely used. "Upcycling" is quite rare yet; still there are some successful cases: for instance, Pure Waste Textiles. Their representative Kalle Mättä explained they are making clothing from waste and do it in a better quality (Yle, 2014). Mättä used the term up-cycling: opposite to the most common opinion that recycled material means less quality, Pure Waste Textiles recycles in a way they can offer a better quality product (Yle, 2014).

Pure Waste Textiles home page (Pure Waste Textiles, 2014) makes clear the benefits of recycling. According to Poltorzycky (2001) they have the both shades of green in their business model: money and nature greens. To sell sustainably made product it must be qualitative.

Whatever would be the enterprise or its strategy, there is an idea that business value arises from cost minimization and benefit maximization (Poltorzycky, 2001, p.3). According to Poltorzycky (2001), "this cost/benefit relationship is at the heart of environmental economics" (p.3-4). Kane (2010) suggests treating the environmental agenda as an opportunity, as a chance and not to be afraid to take this chance, because industry is at the turning point where it can go sustainable or die (Kane, 2010, p.19). "Those who surf the green wave to success will be the visionaries who keep their eyes open and their business hats on." As stated before: "Grasp it with both hands but, whatever you do, don't forget you are still running a business" (Kane, 2010, 19).

According to Nidumolu et al. (2009) sustainability is the key driver of innovation nowadays, and not the burden on a bottom line; on contrary, becoming environment-friendly can lower the costs and increase the revenues. In the future, only companies that make sustainability a goal, will achieve competitive advantage; and for that business models, products, technologies and process should be rethought. Additionally early movers forward in any area will gain the experience and skills what will provide them with an advantageous situation. (Nidumolu et al., 2009.)

Ottman (1998) shares similar optimistic opinion: "A green future is now being created by visionaries with a competitive spirit in their bellies and social activism in their hearts. They are motivated by a double bottom line, a bottom line that recognizes the potential for business to effect societal change as well as create economic wealth." (Ottman, 1998, p.205-207.)

2.3 Green markets

"The problem facing the marketing of green products and services is their past. People still associate "green" with undrinkable fair trade coffee from the 1980s and washing powders that just did not work. These products and services were developed by well-meaning activists who had no qualms in eschewing a modern consumerist lifestyle for their belief in a low impact society." (Kane, 2010, p.69.)

Fashion and clothing industry related research state that there is a common perception that ethical clothing is not fashionable (Tomolillo & Shaw, 2003; Goworek, 2001, p.74) but luckily lately it is challenged and changed by "established fashion designers and innovative specialist brands in this field" (Goworek, 2001, p. 74). Study from United Kingdom shows evidence that even conscious consumers make their garment purchases mostly based on economic and personal factors but sustainability factors are just one of the important issues when deciding to purchase. (Goworek, 2001, p.74.) Kane (2010) states that roughly one third of the consumers see "green" as good, other third just follow the crowd to the "greener" direction, and the rest are "anti-green". (Kane, 2010, p.70.) It means that companies doing business sustainably have to be careful with their marketing to not to frighten off the rest of the customers who are not as green.

According to Ottman (1998), environmental concerns have been mainstreamed already more than a decade ago, and were important already then, "smart marketers have learned to create and market products that are both socially responsible and "friendly" to the bottom line." (Ottman, 1998, second cover). Greenness is important for us personally, and "historical reluctance to pay a premium for green goods seem to be softening as consumers connect

environmental responsibility with health or other direct benefits. Sales of organically grown "clean" foods, natural cosmetics, and cottons grown without pesticides demonstrate that when it comes to green products, the greater the self-interest, the greater the perceived threat, the greater the willingness to pay." (Ottman, 1998, p.43.) Ottman (1998) compares the situation in the end of nineties to eighties, and sees a crucial turning point (Ottman, 1998, p.43).

Kane (2010) suggests that: "most green products are currently in a niche market, developed and marketed by entrepreneurs who believe in the environmental and business imperatives. Only a few products, such as the energy efficient white goods ... [Light bulbs], organic baby food or The Body Shop's toiletries, have broken through into the mass market. The perception of many consumers that "green" means "shoddy" creates a huge hurdle for the entrepreneurs who want to sell to the mass market." (Kane, 2010, p.69).

Gradually sustainably made products are overcoming prejudices and entering mass markets: "Is green the new black?" (Kane, 2010, p.19.) This pictorial expression means that green is coming into fashion and mass market.

2.4 Currently in Media

Media regularly, if not daily, reports on issues related to the sustainability. Besides general trends and notion of growing importance of sustainability, issues in textile and fashion industries are explored often as well. I did mention media articles already previously to support the literature with a current trends, but this chapter is meant to picture more precisely sustainability's actuality in media. I did not search for any of these articles, but just noticed those in the newspapers or TV. That describes how actual the sustainability topic is.

Local newspaper Turun Sanomat (Nurminen, 2013) explains Futtera's research: about 80% of company leaders believe, that people are finally ready to make their choices by considering is the product made in a sustainable and nature friendly way. This research reports on a change in consumer behaviour and expected rapid growth in a demand for ecological products. (Nurminen, 2013.)

The reasons why many do not choose more nature friendly or ethical products are listed by Nurminen (2013): because these products often cost more or are not as available as the "usual" ones. In future prices should become lower and it will be easier to make choices. The change is happening. (Nurminen, 2013.)

Even if many consumers posess positive perception on environmentally friendly goods, still consumers choose these goods rare. When sustainable ways of life and consumption choices become more interesting, appealing and available, there might occur growth in the demand for sustainably made goods. At the moment price and availability are the main obstacles. (Nurminen, 2013.)

Different point of view is provided by The Guardian and "the world's largest CEO sustainability study" " (Confino, 2013) which " shows most companies are not integrating social, environmental and governance issues into their core strategies." (Confino, 2013.) Reasons, for sustainability being "put back into the shelf" to wait for better days, are economic downturn and growth of unemployment; misunderstanding of sustainability as something charity related has been growing. (Confino, 2013.)

Ethical enterprise is responsible, open and ecological by Hjelt (2013) reports that there are in Finland hundreds of enterprises pledging themselves to be conscious: but there is not charity involved just business, where moral and ethical thoughts are involved (Hjelt, 2013). Founder of the Mum's Outi Puro explains that, the most important is to sell, because otherwise company cannot afford to pay wages for its employees, and company Mum is not a charity organization but a design enterprise (Hjelt, 2013).

Other article in Turun Sanomat *Expensive price of a cheap garment* describes various stages in the production and how workers' rights and environment is abused in all of those; it is suggested to prefer ecological and fair-trade garments. (Toivonen, 2014.) Exactly clothing industry is currently the most discussed in public and media, when it comes to the sustainability issues.

It is possible to speak of such a trend as "fast fashion" (Hakkarainen, 2013): it is cheap and there are always new trends and pieces of clothing available. On the eve of winter sales Turun Sanomat publishes article Ten euros trend blouse can urge to consumption hysteria (Hakkarainen, 2013): Fashion Stores' Union's representative Meri Karppanen recognises the ecological problems of this very profitable "fast fashion" and states that on her opinion demand supports it, and that the idea of it is to buy more than one needs. Because it is only a new fashion trend, there is no reason why the certain piece of clothing should last as classical garments last. However, Karppanen does not believe that the levels of fast fashion could grow even more or that people would indeed prefer quality to amount. (Hakkarainen, 2013.) As a representative of Fashion Stores Union, Karppanen hopes consumers would inform clothing producers directly about their hopes and opinions in sustainability instead of avoiding certain stores. (Hakkarainen, 2013.) Article did not mention any suggestions or solutions what to do with the garbage of fast fashion. " Apparel consumption is an environmentally significant behaviour and a contributing cause of environmental change " (Connell, 2011, p.62) and "the development of a socially responsible apparel industry requires the encouragement of eco-conscious consumption behaviours among consumers" (Connell, 2011, 62).

Close to the textile industry are designer couple and company Saana & Olli who have all their production made of nature friendly fibre hemp (Saanajaolli, 2014). Local newspaper Turun Sanomat regularly contains articles about Saana & Olli and their successful designs. Every year Habitare exhibition is organized in Helsinki, and as a part of it Ecodesign special exhibition is arranged, where designers involving sustainability in their products are represented, as well Saana & Olli.

For Saana &Olli's and other participants' products ecological analysis is made and it is explained how environment is considered in design, choice of materials, production processes, packaging, transportation, use and recyclability; recycling and innovation are emphasized (Munkki,2013). Sustainability is naturally involved in new designs and innovations; it is an important component in the use of product as well as extra value (Munkki, 2013).

Gradually sustainably made products are overcoming prejudices and entering mass markets: "Is green the new black?" (Kane, 2010, p.19.) This pictorial expression means that green is coming into fashion and mass market.

2.5 Summary

Creating sustainable business is important for nature and important for humankind to survive. For a very long time business has prospered on the expense of environment. Environmental and social concerns have made consumers aware, made companies to implement more sustainable practices. Still, there are various reasons why sustainability in business is rather an exception than a norm. Companies' weak belief that investing in sustainability would result in profits.

Recently consumers' interest and desire for sustainably made products has grown (Ottman ,1998; Kane, 2010; Nurminen, 2014), and, as a result, sustainably made products are more available (Nurminen, 2014). Companies, previously known for their unsustainability, now introduce nature friendly products (for instance, H&M (H&M, 2014.)).

There are different starting points for company to introduce sustainability. Start-up can create green business strongly associated with green credentials (Kane, 2010, p.17), while existing company needs to redesign its business (Kane, 2010, p.17). Existing company has an experience, but start-up mightbe in a need for advice: Kane (2010) refers to many new businesses failing because of weak market research and product design (Kane, 2010, p.18).

All the businesses are based in the consumption and growing demand for goods or services. The difference lies in sustainable choice of raw materials, manufacturing conditions, sustainable choice of logistics options and various other issues that make business sustainable compared to conventional business; above all product must be desired by customers (Ottman, 1998). Sustainable businesses function by the same rules as conventional businesses with a

difference of implementing nature friendliness and ethical manufacture conditions.

According to Hawken (2010), Kane (2010) and Poltorzycky (2001), in future sustainability can create competitive advantage for a company. What is the competitive advantage of Saana & Olli, Boomerang and Mammu?

3 METHODOLOGY

Three companies were selected to be interviewed for the research purpose of this thesis. During the selection process two other companies were approached, one of those replied as interested but response was received in the late stage of research: therefore case was dismissed. Aim was to interview exactly three companies. Three cases provide sufficient material for research and ensure plausible generalization of trends.

To have a possibility for an interview, local enterprises were preferred. Saana & Olli is Turku based company, Boomerang was represented by Boomerang Store Turku manager. Mammu is company based in Latvia, therefore questions were answered via email.

The thesis empirical part is based in a case study methodology to answer how three chosen companies succeed when sustainability is involved in their conduct. Before asking these companies for an interview I knew that their conduct involves sustainability or its elements.

There are quantitative and qualitative research methods. Qualitative research is used for this thesis. Qualitative data collection and analysis have interrelated and interactive nature; and it is necessary to plan qualitative research as an interconnected process of collecting, analyzing and interpreting data as each interview is undertaken. (Saunders et al.2012, p.544.)

"Qualitative research is often associated with an interpretive philosophy [..] to make sense of the subjective and socially constructed meanings expressed by those who take part in research about the phenomenon being studied. [..] Since meanings in qualitative research depend on social interpretation, qualitative data are likely to be more ambiguous, elastic and complex than quantitative data. Therefore, analysis and understanding of these data, needs to be sensitive to these characteristics to be meaningful." (Saunders et al.2012, p.546.)

The data collection method is a semi-structured interview, which, according to theory means that the researcher has a list of themes and key questions, possibly

varying in interviews accordingly to the organizational context. (Saunders et al.2012, p. 374.) Questions, differing in details, were prepared for each separate case in order to bring out the specifics of every company. Background information was acquired from related literature, and online available information on every company was explored previous to interviews. Interviewees were encouraged to add information that they felt is important and relevant, as well as to build on their responses.

Besides interviews, every case study is build up by using companies' websites both for basic and detailed information on their products, strategies, visions and other issues. This method is called triangulation: it means the use of different data collection techniques for one study to provide the reliability and right and precise understanding of what data is telling (Saunders et al.2012, p.374).

Interview 1 (Saana & Olli) and Interview 2 (Boomerang) each took around forty five minutes visiting time and record of almost half an hour in each case. Interviewees were personally unfamiliar to me previously, therfore personal contact establishment was important for the successful interview (Saunders et al.2012, p. 378). Interview 3 was an exception: it was conducted via email. Relationship establishment was not as important because the interviewee and the company interviewed person represented were already familiar to me for many years. Additionally, questions and the purposes of my research were explained via phone call.

The aim of the interviews was to provide answers to the research questions:

In what manner company is sustainable?

What is the motivation to be sustainable?

What is essential to succeed while being sustainable?

Indication of common and different between companies was anticipated.

Reliability, Validity and Generalization

Reliability refers to whether the same research would provide the same outcomes if it would be carried out by different researcher on a different occasion (Saunders et al.2012, p.192). As the research is exploring the general ideas of sustainability implementation in the business, I suggest that the research would produce the same outcomes. Questions of interviews relate to the general guidelines of current businesses.

According to Golafshani (2003), qualitative research is to understand phenomena in context-specific settings; qualitative researchers look for illumination, understanding, and extrapolation to similar situations. (Golafshani, 2003.) Triangulation method assists in establishing validity.

Validity concept is based in the idea that that qualitative research can be more trustable if the same methods and techniques can be applicable for various cases (Cho & Trent, 2006). General opinion is that validity and reliability concepts are applicable for quantitative but not qualitative research. In the case of three interviews I would suggest that validity is applicable as the cases contain various similarities. It enables the chance to extract the similar phenomena. However, diffrences between Saana & Olli, Boomerang and Mammu were are welcomed research.

Generalizability refers to "the extent to which the findings of a research study are applicable to other settings" (Saunders et al.2012, p.671). It is expect that the findings of the this research fit with the general trends of the sustainability in textile industry and others.

4 THREE SUSTAINABLE EXAMPLES

4.1 Case Saana &Olli

Case study is based on the information acquired during the interview of 7th May, 2014 (Appendix 1) and company's home page (Saanajaolli, 2014), additionally media resources are used.

Saana Sipilä and Olli Sallinen are a designer couple and a design company from Turku, Finland. Saana & Olli as a company exists since in 2008. Couple studied design together; business idea of Saana & Olli's derived from understanding that there is a shortage of sustainably made interior textiles on the market. Saana & Olli decided to create their own. (Appendix 1; Saanajaolli, 2014) Products, made of hemp, are pillow covers, bibs, towels, table mats, kettle holders, laptop cases, bags, etc.(Saanajaolli.com, 2014).

"3 guidelines of our design philosophy are: sustainability, durability and local production" (Saanajaolli, 2014). Company strives to nourish these guidelines throughout their design and production processes since foundation of the company (Saanajaolli.com, 2014).

4.1.1 What sustainable actions Saana & Olli take?

Saana & Olli's products are made of nature friendly fabric hemp and manufactured locally in Finland (Appendix 1). Thus they have ensured their company are nature friendly and ethical.

Hemp is grown and fabric made in Hungary and Romania. Saana & Olli explain: "the closest countries to Finland who produce high quality hemp fabrics are Hungary and Romania. Our European hemp fabrics are sustainably made: the plants are grown without herbicides or pesticides using natural crop rotation techniques. Hemp grows naturally with little water and improves soil quality. In order to minimize carbon emissions our fabrics are transported from the factory to our home town Turku by land." (Saanajaolli, 2014.)

While developing sustainable business designers faced several problems: challenge was to find the textile source and manufacturing place in order to maintain company's sustainability standards and still be profitable (Appendix 1).

First collection of Saana & Olli's was made with and idea of recycling which company had to give up: being sustainable this way was time consuming as Saana & Olli searched for material from thrift shops. Furthermore, it was impossible to ensure steady quality of materials and products in that way. (Appendix 1.)

Hemp was familiar to Saana &Olli, and they were aware that no other company offer hundred per cent hemp interior textiles. Thus their hemp textiles were a novelty on the market making products more interesting for customers.(Appendix 1.)

Finland as a manufacture place is essential part of sustainability for Saana &Olli: designers share opinion that importance and attention for place of manufacturing has been growing since they started their own business in 2008 (Appendix 1). Additionally, it contributes to the marketing of the company: Finland as a production place is important not just for Finns, but, as Saana &Olli explains, it was much appreciated, for example, in Japan which was their first export destination. (Appendix 1.)

"There is an opinion that there are made quality things in Finland, and especially in textile industry. Foreigners see it as a big plus if products are made in Finland." (Appendix 1.) Sustainable manner of production yields an extra value for Saana & Olli's products (Appendix 1).

Company's standards, and maintenance of those, means Saana & Olli are careful with choice of partners. Designers have refused promising projects due to the questionable quality and unsustainable views of possible partners (Appendix 1).

4.1.2 Saana & Olli's motivation behind sustainability

"Sustainability is the cornerstone of our work and way of our life. It is our duty to act and work in a way that ensures our children and grandchildren can live in biodiverse world." (Saanajaolli, 2014) Saana & Olli explain that doing business in a sustainable manner was a natural choice as they are guided by the same nature friendly and fair values in their personal lives (Appendix 1).

Besides designers' personal motivation to lead sustainable entrepreneurship, understanding of customers' growing interest in sustainably made products has a motivating impact as well. (Appendix 1).

4.1.3 What is essential to succeed as a sustainable company

Saana & Olli emphasize that general rules of entrepreneurship aplly to sustainable business: cost- effectiveness and profitability secures the existence of it. (Appendix 1). Similarly to Kane (2010), Poltorzycki (2001) and Ottman (1998), Saana & Olli highlight the importance of quality product and cost effectiveness as grounds to succeed (Appendix 1).

Extraordinary fact: Saana & Olli, similarly to, for instance, Kane (2010) note, that sustainable business is business with no similarity to charity (Appendix 1).

Saana & Olli state that others experience and advice were important for them as a start-up (Appendix 1): company used guidance by profesionals of the industry, for example, Marimekko's Artistic director Samu Jussi Koski (Appendix 1). Compared to existing companies deciding to "go green", start-up's have privilege of creating brand strongly associated with sustainable values and no need to redesign business model; but advice is valuable (Kane, 2010, p.17-18).

Since Saana & Olli is a design company, it aims to sell its products in design stores, not in eco markets (Appendix 1). In its marketing, company emphasizes product design before nature friendly materials in order to attain various customer groups, and not to restrict its market only to nature friendly customers. (Appendix

1). Saana & Olli sell their products abroad and long to expand internationally in order to grow as a company (Norontaus, 2014; Appendix 1).

Right proportion of informing customers on green origins product has is important to not to frighten off customers who do not value nature friendliness. According to Saana & Olli, in the first years of their entrepreneurship nature friendly products were strongly associated alternative cultures (Appendix 1).

Design and quality product is the competitive advantage of Saana & Olli; nature friendly materials and transparent manufacture conditions provide an extra value for this company.

4.2 Case Boomerang

Boomerang was founded in 1976 in Sweden; company offers premium quality casual clothes. Now it is a Scandinavian brand available in various countries and still expanding. (Boomerang, 2014.) In Finland this brand is available already for more than twenty years, but since more than a year ago Boomerang has their own concept stores in Finland: Turku and Espoo.(Appendix 2.)

Boomerang's case study is based on the interview with Turku store's Manager Kreetta Mylly, supplementing information is added from Boomerang's home page (Boomerang, 2014) and media (Horila, 2013).

4.2.1 Sustainable actions Boomerang takes

Boomerang has developed sustainable elements in its conduct gradually. At the moment company is increasing amount of nature friendly fabrics used for its garments (Appendix 2); company claims its production being manufactured in ethical conditions (Boomerang, 2014); as well as Boomerang has own garment return and recycling policy Boomerang Effect (Appendix 2): every ever bought garment can be returned to Boomerang's store in an exchange for ten per cent discount on a new garment. According to Turku Boomerang Store's manager Mylly, the condition of returned vintage garment is inspected, and if it is in a good shape, Boomerang sells it further in its stores as a Boomerang Vintage. In case

garment is damaged, it will be sent to Sweden, recycled and used for Boomerang's Home Collection. Boomerang Home Collection is not completely made of recycled materials, because there are not enough of own recycled materials. Additionally, Boomerang recycles its production's leftovers (Appendix 2.)

Other sustainable actions Boomerang take are: amounts of organic cotton used in their collections are incesed, and Boomerang limits the use of chemicals in its production; merino wool used for the garments are of ethical origin. (Appendix 2.)

Boomerang's collections are not made only from nature friendly materials; lately organic cotton products have been added to their assortment. Mylly explains that even if company values sustainability highly, it is difficult to oversee entire manufacture process and ensure that it is fair from the very beginning (Appendix 2).

Boomerang's Code of Conduct: "At Boomerang we live by one rule: treat others the way you wish to be treated. We believe in showing respect to all living things; people, animals and the world around us. We walk the extra mile to find and collaborate with producers, suppliers and partners who share the same ethical principles that we do. We are currently in the process of developing our corporate policy on the environment and animal rights." (Boomerang, 2014.)

4.2.2 What is the motivation to involve sustainability

Mylly discerns customers care for manufacture conditions and organic cotton products, especially woman (Appendix 2). In media Boomerang's representative shares opinion that nature catastrophes, discussion on environmental issues and global warming has impact on the recycling in the clothing business. Boomerang's products are made in Europe and Far East where manufacturing conditions are controlled. Thus as well business can share the responsibility of common issues. (Horila, 2013.) Customers' growing consciousness contribute to the company's motivation in developing nature friendly products made in ethically acceptable conditions.

It was not reliably revealed during the interview with Mylly, where the motivation to long for sustainability comes from (Appendix 2). Boomerang's code of conduct state company believing in respect for the world around (Boomerang, 2014).

4.2.3 What value sustainability has in Boomerangs's success?

Boomerang's garments are timeless, good quality and meant to last: company's customers appreciate these properties. Many value organic cotton and recycling even if it is not a crucial element but an extra value (Appendix 2) when deciding to purchase.

Boomerang Effect (old garment return policy) is used as a means of marketing as well: thus Boomerang indicate quality of their products (Appendix 2), and Boomerang shows directly to the conscious customers that they care for nature because they provide possibility to recycle.

The basis of Boomerang's success is good looking casual quality clothing for the customers who can appreciate it. Sustainable actions Boomerang takes, contribute to the company's and its products' image, provides an extra value but do not stand before qualitative products. (Appendix 2.)

4.3 Case Mammu

Case study of Mammu is based on the email interview with companies Production Manager Ivita Ose. For additional information companies home page and media is used (Mammu, 2014).

Mammu is a social business in a fashion industry. Company cooperates with designers, who create design of a product, but products are made in collaboration with Latvian mothers who wish to earn extra income (Appendix 3), and can do it flexibly at home in the same time looking after their kids.

Women already are familiar with sewing, knitting, crocheting or macramé, but often they are taught new or extra skills during workshops. Company offers production and design management to other fashion and design companies.

(Appendix 3.) "We give them textiles so they can work from home and then we have lawyers who help them set up a micro-production company. So all the mothers are like small companies themselves, which is quite nice because they learn how to be entrepreneurs - establishing their own company to do production for many other companies. This is where we're shifting at the moment: We started as a fashion label but offer fashion production and fashion development for other design studios in Germany and Latvia." (Shin, 2013)

The idea of social business is that it reinvests the profits back into the company for its development and greater social impact. (Appendix 3).

4.3.1 In what manner Mammu is sustainable

Mammu business is sustainable by providing work at home for mothers who cannot work otherwise. Moreover, Mammu is sustainable in a manner that there are no extra resources used for premises or equipment because work is done at home with own machines, if needed. (Appendix 3.) Mammu's products are scarves, shirts, accessories, laptop cases, etc. (Mammu, 2014).

Mammu's different organizational structure enables people to work at home. There is no need to acquire new machines or premises to start the production. Instead, company's management "looks around", for instance, via Facebook (Mammu on Facebook, 2014) or other social networks for women interested in earning extra income with their handicraft skills. Mammu is an extraordinary case with its model for sustainability: innovative (Nidumolu et al., 2009), and cost effective (Hawken, 2010) by their products being made at home.

Around 90 % of Mammu's production is made of natural materials like linen, cotton, wool and silk; whenever it is possible, organic materials are used. Often production volumes are small: it increases the price of organic cotton. Therefore, often leftovers from local textile companies are used as an alternative. Most of the linen is Latvian, the rest originates from the neighbor country Estonia. Side project Sophia involves use of local wooden materials found in forests. (Appendix 3.)

4.3.2 What is Mammu's motivation to be sustainable

Social business Mammu follows seven social business principles (Appendix 3; The Grameen Creative Lab, 2014), which include ethical issues and environmental consciousness. These principles ensure the ground for motivation to develop sustainability in their business conduct. As well people, involved in the development of Mammu, are personally interested in sustainability (Appendix 3).

4.3.3 What is essential to succeed

Like two other companies explored previously, Mammu emphasizes the importance of a qualitative product above all. Production Manager Ose explains that Mammu advertises itself and its collections as any other fashion industry's company does it: products are sold in the relevant fashion and internet stores, visual material and appealing image for customers is created, every collection has a great opening and media attention, and products are designed by local best designers, some by designers from abroad. (Appendix 3.) Products are not sold with a "smell of charity" but as a quality design item made with a good cause (Appendix 3).

According to Ose, Mammu's partners, for whom Mammu manufactures, like to emphasize that products are made by Mammu. It is advantageous to be a small company: small size enables flexibility in cooperation with partners. Ose: "We have design connected people in our team, and we understand what good and beautiful product is." (Appendix 3.) "There is a big demand from small design labels worldwide who want to produce in a sustainable way, but for them it's very hard to set up a social business production line. We're now becoming broader and as a result, we can hire more mothers." (Shin, 2013.)

Mammu does not see its competitive advantage in sustainable actions company takes but in design and quality; Ose states design at first place as Mammu's competitive advantage (Appendix 3). Products are not initially made or meant for mass market; according to Ose their 30 to 40 years old customers with average

or good income are able to appreciate fact, that products are handmade and created by designers, customers are interested in fashion as well (Appendix 3).

4.4 Summary

In order to review and gather the findings of every separate case and to highlight the common and different between Saana & Olli, Boomerang and Mammu, Table 1.summarizes sustainable actions companies take, their motivation and what companies see as gounds of their success.

	Sustainable actions	Motivation	Important to succeed
Saana & Olli	Uses only nature friendly textiles;	Personal motivation;	Design and quality product;
	products are made transparently and locally in Southwestern Finland; uses less polluting means	customers' growing interest	other rules applying to the successful business conduct
	of transportation		
Boomerang	Uses nature friendly textiles and increases the use of	Personal belief (?) *;	Quality product;
	those; products are made in safe and ethical environment;	customers' growing interest	other rules applying to successful business conduct
	recycles own production leftovers and returned products;		
	limits the use of chemicals		
Mammu	Uses nature friendly textiles whenever it is possible;	Grameen Social business principles;	Design and quality product;
	uses leftovers (recycling), if those fit the quality requirements;	personal interest;	other rules applying to successful business conduct
	use resources available, do not keep up any production premises;	customers' interest	
	considers logistics impact on the nature;		

uses materials found in nature;	
ethical manufacturing conditions;	
local made	

Table 1. Sustainable actions, motivation and grounds for success.

Among these three cases Saana & Olli has the highest sustainability level as company uses just nature friendly materials, consider logistics impact on environment and products are locally and transparently made. Still, Saana & Olli have operations to develop in order to increase nature friendliness: for instance, hemp fabrics produced more near than in Hungary and Romania.

Boomerang states their manufacturing is ethical, but materials company uses are rarely nature friendly. Company is continuously increasing amounts of nature friendly materials used. Boomerang has a return policy for their old garments, and recycling is involved to fabricate materials. Company "does not forget" about their products after those are sold: garments can be returned to shop in an exchange for 10 % discount on a new garment. Returned garments are resold or recycled.

Mammu as a social business emphasizes ethical issues, further they seek cost effectiveness between sustainably fabricated materials and their price.

In general, sustainable actions Saana & Olli, Boomerang and Mammu take, are use and search for organic and nature friendly materials and ethical working conditions.

Making business sustainable throughout all its operations is a challenging process. In order to ensure the existence of company, right balance between sustainability, quality and profitability is crucial. Common problem for sustainable

^{*}not revealed reliably

businesses are the quality of fabric and its availability (or rather unavailability), thereof company takes less sustainable steps. For instance, fabric is ordered from far distances (Saana & Olli) or conventionally produced fabrics are chosen (Mammu).

Boomerang has added sustainable actions to their conduct with a time (Boomerang, 2014; Appendix 2). Mammu as a social business is based in sustainability ideas (Mammu, 2014). For Saana & Olli doing business in a sustainable manner was a natural choice as they follow the same principles in their personal lives (Appendix 1).

Extraordinary, Saana & Olli, Boomerag and Mammu are careful in emphasizing themselves as sustainability orientated companies. Products' design and quality are emphasized before informing customers on nature friendly materials used and ethical manufacture conditions; sustainability is an extra value for the products of Saana & Olli, Boomerag and Mammu. (Appendix 1; Appendix 2; Appendix 3.)

In my opinion, Saana & Olli's and Boomerang's customers fit the following customer description from Finland (in the case of Mammu there could be found similar example from Latvia; according to Ose, their customers are often 30-40 years old with average or good income (appendix 3)): sustainability appreciating customers Lohas, which means *Lifestyles of Health and Sustainability* (Mäki, 2014). Around 34% per cent of Finns fit into this group: always ready to share opinions, with education above the average, with large social networks, active in social media and organizations, sharing their opinions and experiences at least with their friends and family, with the same income level as others but more evaluative, ready to give up for something to get something other instead, if looking for car so choosing hybrid, appreciating quality and longevity, are ready to invest in the chosen product.(Mäki, 2014.)

5 CONCLUSION

5.1 Research findings

The objective of this thesis was to research how three textile industry related companies incorporate sustainability in their conduct. Qualitative research methods were used for this research.

Answers to the research questions are:

In what manner company is sustainable? Saana & Olli, Boomerang and Mammu are sustainable by using organic materials or increasing the amount of those in their production; involving recycling; and ensuring ethical manufacturing conditions. See *Table 1. Sustainable actions, motivation and ground for success* to reveal research findings in a compact form.

What is the motivation to be sustainable? Saana & Olli, Boomerang and Mammu are motivated to do business in a sustainable manner because of their own belief in sustainability, nature friendliness and fair manufacturing conditions; companies recognize that their customers and partners appreciate it increasingly.

What is essential to succeed while being sustainable? According to Saana & Olli, Boomerang and Mammu, product, its design and quality is the basis for success. Companies admitted sustainability being their extra value; it is not their competitive advantage.

Hawken (2010) and Kane (2010), for instance, suggest that sustainability will provide competitive advantage for companies doing business in a sustainable manner. Case studies of Saana & Olli, Boomerang and Mammu do not prove it yet.

Two extraordinary details were recovered in this thesis: sustainable companies are careful with their marketing to not to create "too green" image which would disguise the product itself (Appendix 1; Kane, 2010; Ottman,1998) and frighten off customers who are not as sustainability orientated.

Other extraordinary discovery concerns misunderstanding that sustainability has connection with charity (Confino, 2013; Hjelt, 2013, Kane, 2010). Both Saana & Olli and Mammu emphasized that businesses, operating sustainably, are as profit orientaded as conventional businesses (Appendix 1; Appendix 3) (in case of Boomerang issue was not examined). Case of social business Mammu proves that a good cause is not an obstacle for a successful business.

5.2 Suggestions for further research

Issues explored in this thesis enable to continue the research as well in more detailed level. Research on companies' marketing strategies and customer base might provide interesting discoveries in motivation to conduct business sustainably as sustainability perfects companies' marketing and image.

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Saana & Olli, Interview

2nd May 2014

Saana Sipilä, Olli Sallinen

1. Tell about your enterprise and creating it, difficulties you faced!

Olli tells about the creating the business and participating in various projects were they got guidance on how to start a business.

He mentions the thing that business run in a sustainable way is no different than other businesses; it must profitable, because otherwise there is no business.

It was difficult for Olli&Saana to find the sewer company who could produce series products for a reasonable price or to find a sewer company at all as this industry is almost moved out of Finland. As well it took time to find the material.

[Here I have not yet my voice recorder on so this first answer is according to my memory.]

2. Is there something you would like to add to your conduct related to ecological issues?

Saana: I think we have developed the ecological side of our business all the time and paid attention for that, but the sales skills could be developed.

Olli: It is not our strongest side. Luckily we managed quite well with the visibility in newspapers and internet, but otherwise the sales part is the most challenging for us. We are not very good at that; sales management requires a lot of time, and there should be person managing it. It would be great if we could soon hire somebody to manage sales issues. Then we could concentrate on the designing more. It seems that this is an overall problem in the small design industries' entrepreneurships. For the agencies there would be a work to do in this area.

3. Do you consider your entrepreneurship as successful and developing?

Olli: Yes, definitely! We have been able to support ourselves very well with this, and business is developing. We have never had anything stuck and abandoned. Yes, I consider us as successful. What do you think, Saana?'

Saana: I agree!

4. Do you believe that sustainability elements bring extra value to your business and products?

Yes, of course! No doubt about that!

I: Would you call it your competitive advantage?

Olli: Yes!

5. How strongly do you emphasize sustainability and ethical production in your marketing?

Olli: Quite strongly, we have kept all our production transparent from the very beginning, material origin as well. Yes, it is quite visible.

Saana: I would say that not in every marketing thing, but in most cases. We emphasize the origin of material and that production happen in Finland. Through the design and ornaments we bring ourselves in front.

6. What can you tell about your customers, what they are?

Saana: Basically there are various groups. I would say that the largest group is 25 to approximately 40 years old woman who are interested in home decoration and ecology issues. That is the major group.

Olli: Other group is older people who are middle age and for them traditional Finnish and Nordic aesthetics are familiar from their young-hood, in their young-hood there has been this old style folk type aesthetics.

7. I find it really important that there are these kinds of things made in Finland, and they are beautiful and good quality, and ethically produced...

Olli: Yes, during this time while we have been doing this there has been growing importance paid where products are made. Now it is been of growing importance. It the woman's magazines and others there have been material about the where the products are manufactured.

 When I started to do my thesis I realized how much newspapers and TV tell about these issues.

Saana: Yes, there has been a lot about textile industry on the TV.

8. How do you see the future of yourself and your industry, and what is the role of sustainable and ecology elements in the future?

Olli: There will be more sustainability in the industry and overall as the people notice that climate changes affect even more and as well here, in north, where we did not see those previously.

Saana: On my opinion there have been arising new attention areas all the time. Nobody paid attention for the clothing production countries five years ago. Now almost everybody has heard something of it. Attention for that is growing all the time. Some years ago food issues became more important. People become more informed about different causes.

- Yes, few years ago there were not any ecological food shelves in the shops but now there is.

Olli: Yes, now there are marked locally produced products separately. I saw in one shop "Buy Finnish" marks... Yes, this is growing.

Saana: I think that the clothing is the nerve at the moment, but about the ecology in home decoration there is no wider discussion. Many thought that Reima's children's wear is produced in Finland, but actually those are made in really bad conditions in Bangladesh. As well many Nordic decoration brands... rare of them are made in Finland. I think this is issue will rise up at some point. Few years ago I was surprised to hear that Lundia is the only carpenter manufacturer to produce in Finland.

Olli:... from main producers...

9. So you are like pioneers in this thing [sustainably made home decorations]?

Olli: Hopefully! Hopefully!

I have been thinking it would be great as well in the future to be in the front line of this industry, to act and realize in a more sensitive way where the world goes.

10. Have you been planning new products?

Olli: Yes, we have! We have one new collection every year, but now we are expanding to other products as well.

Saana: And then we have been cooperating with other companies.

11. How important it is for you that your partners conduct in a sustainable way?

Olli: Yes! We have been considering when planning is there some ecological point in that. If there has been something where we cannot stand behind we have said no.

There was a case when we were offered to produce our designed products in cheap materials and in a large amount that would be widely sold; but of weak quality. They were not otherwise able to explain their position anyhow so we thought is better to refuse.

I want to avoid that kind of things and probable damage to our reputation. I want the projects are with good reasons where we are going to involve.

12. Was there help available when you created your business if it is sustainable?

Saana: No. There is some kind of eco associations, but we did not find any what would suit our needs and support us. I feel like our industry professionals collaborate quite much and we have asked from others advice.

Olli: One really good thing was we asked Samu Jussi Koski, who was then artistic director of Marimekko, as our mentor and Globe Hope's chief executive director Seija Lukkala in the beginning. That was a great help. We got a lot of help and advices. We avoided various issues that might have caused problems as they gave us advices.

13. Did you have other ideas of the material you could use before you decided to use hemp?

Olli: Yes, when we started we used recycled cloth and made decoration pillows from it. That was our first product, but then we noticed, even if we have a quite good stock of materials, still that kind of same quality material we could not get from anywhere. We could not use all our time for searching material from thrift shops. We sought more reasonable solution. We both were upset there were not really any products from hundred percent hemp made, and those we have seen, were really boring. Sop then we thought we could make beautiful products from hemp.

Saana: So there is a value of novelty, and it is interesting.

Olli: We wanted to rise up the reputation of hemp products; few that were available were quite grim.

[Discussion on other types of fabrics, impact on environment, and unclear production environment.]

Japan was the first place where we exported our production, and it was really important for them that our products are really made in Finland.

There is opinion that there are made quality things in Finland, and especially in textile industry. Foreigners see it as a big plus if products are made in Finland.

14. So here we come to other important issue: locals have job.

Olli: Yes, it is a thing! I have got my education for free, health care; we got support in the beginning of our entrepreneurship, so I think I want from myself to give something for the local.

15. What is important when you are entrepreneurs and in the same you consider sustainability?

Saana: That you think will it be profitable.

Olli: That you do not go for that just partly, that you really think and count, research is the idea profitable. That is important.

Saana: Many eco entrepreneurs fail in this.

Olli: They have not done their background research. Ecological side internet shops: there have been plenty of those during our time already, but then that background research about the market situation and competitors and value of these things are missing.

Saana: nature friendliness must be the extra value for the product. At first the product has to function, to be qualitative and accordingly priced. It has to be functioning product at first; it cannot be all based just in nature friendliness.

Olli: It has to be otherwise enjoyable. But these are the stumbling blocks. [Above mentioned.]

16. Did you notice these principles already in the beginning or learned those by doing?

Saana: I think we took these issues into account from very beginning. We did not start by establishing eco business but by establishing business; and in the same time when we live and think ecologically so it was clear by itself.

Olli: It was natural starting point. We wanted to stand out in the communication. We did not use this term "ecological" in communication but to go around it or bring it up in a different way.

Saana: We did not want to use green in all our expressions or so very ecologically looking. All the eco shops are so...

Olli: ...brown, green tones. Then when we started almost all the eco brands they were somehow hippy kind of, very colorful, earthy colors... We wanted in our own way...

Saana:...That we would not scare off customers who are not searching for nature friendliness. More like they would by Finnish design who is ecological additionally to other properties. So we would widen the target group...

Olli:...and that kind of products would be possible to sell as well somewhere else and not just in eco shops, that products would fit in a design shop...

17. So your product is in all the other ways fine and quality and then additionally to all that it is sustainable?

Olli: Exactly! That is what I mean! That is that we intended to do from the beginning.

Boomerang, Interview

7th May 2014

Boomerang's representative Turku Store's Manager Kreetta Mylly

Kreetta tells that she is responsible for the developing of the store which has been in Turku now for a little more than one year. Brand is available through department stores in Finland almost for twenty years, but is not widely known.

1. Since when Boomerangs' conduct involves sustainable elements? Has it always been like this?

Kreetta: Yes, in the sense that from the very beginning the idea has been to make clothes that last from one season to another, and not any one time use clothing. Materials are meant to be lasting. Boomerang Effect, that makes possible the return of garments, has been launched in 2006. On my opinion, since then even stronger [Boomerang is sustainable]. Now we use organic cotton quite much, and otherwise we try to avoid the use of chemicals.

2. Since when do you use organic cotton? I suppose it is not from very beginning but since some point latter?

Yes, that's true. I do not know precisely since when we use organic cotton. We use organic cotton, recycled cotton, from leftovers we make the thread and use for new cloths: so nothing is wasted.

3. Boomerang Home collection: so it is made from recycled materials?

Partly, for example, we have a deck chair and its cover is made from old jeans, there are blankets, cushion covers made... We will have sheets next autumn, but from new materials. But partly it is made from recycled materials.

4. Are these recycled materials Boomerang's own or are they coming from somewhere else?

Those are our own; those are to us returned old garments, and if they are resalable, we send those to Sweden.

5. Does Boomerang have to use new materials because there simply would be not enough of recycled?

Yes, that is why it is just a small part, products made from recycled materials, because there is not enough of material. It is according to how much material we can get.

- And if the clothing is meant to last...?

Exactly, it is like that.

6. Do you think it is more profitable to involve sustainability elements?

I think it is. Our customers appreciate it a lot. When they buy from us they know that the garment will last, and he will have it after a year and another in a condition he wants to wear it. That is our guideline which is important as well for me. That is how sustainability is involved as well.

7. What can you tell about other fabrics used in Boomerang's product? Tencel? Lyocell?

Those are from the viscose family, synthetic fibers, those are made from celluloses or wooden mass, by processing in a different way rayon, tencel and lyocell is produced. It is not really a natural fiber, but from somewhere in between.

- It is not always the best if it is a natural fiber...

True! But for the cotton, it will be more and more used as recycled, because of its very extensive growing process.

- Are lyocell and tencel more nature friendly materials?

Yes, those are. In that sense, that those are quite strong fibers, and they last. I do not know exactly know about the environmental effect of these fibers. Sure, there is own problem in these fibers. In every type of fiber there are pluses and minuses.

We use merino wool, and that is made ethically. There are problems with animal origin fibers as well.

Those are all quite difficult issues nowadays, because controlling is really difficult. Boomerang pays a lot of attention to these issues so that everything from the very beginning would happen in a fair way.

8. So that is the company's own decision to control?

Yes, it is. I do not know is there any international laws and what kind of frames they have for garment industry. Maybe something...

- I think the clothing production is so outsourced that it is not really possible to control...

But consumers are really careful with this nowadays; they are asking where garments are made and in what kind of conditions. That is really a great thing and leads the garment industry to the different direction.

9. How does Boomerang market itself? To me it seems it does not bring too much in front nature friendliness. Is it so that the product is the first and its quality?

Yes, it is like that. If you have noticed the marketing in Finland, we want to enhance the picture of the brand, and all the nature friendliness comes afterwards. That is considered as self-evident that we do things in a right way; but I think we will emphasize it more. We have got marketing materials to our store, for example those fabric posters in the window, where we tell about the use of organic cotton. Now we had men's shirts all from organic cotton. It faces a development right now. That accident in Bangladesh when fabric exploded, all the sad things make people to think more.

10. Was it founders own wish that Boomerang would involve these elements of sustainability.

I do not know exactly, but I believe it was so. These two men who founded Boomerang, they tried to emphasize Scandinavian lifestyle, archipelago and nature, so it kind of evolves from there.

11. What can you tell about your customers?

Just good! They appreciate that garments last. That is what our customers appreciate. Many appreciate that garments are from organic cotton, recycled cotton; but it is not yet a crucial issue for people. That is a nice extra value. Maybe men do not appreciate it yet, that organic cotton is a good thing, and it does not work for them. For woman it works much better as an extra value.

12.So is this Boomerang's extra value? Ethical conduct and nature friendliness?

Well. Is it then extra value or is it actually the starting point? I don't know. Maybe it is more like extra value but changing to be as a starting point.

13. How about the stereotype of nature friendly products as just a hippy thing?

Yes, true. Mostly older people think that way. That maybe is the reason why nature friendliness and ethical conduct is not too much emphasized [in marketing] to not to cover the products too much with it. But that that is already a fading away thing.

Our vintage garments [returned old and used Boomerang's garments in exchange for 10% discount from new product; resold in the store or recycled depending on the condition], used garments, washed and checked are those in condition, and we sell those. Those go very fast, now we have just two pieces, maybe a bit dark colors now for the spring, but all the others are sold... I think those have been bought by the people who would never buy anything from the thrift shop, but they have bought our used garments.

14. Is this Boomerang Effect as well as a marketing trick?

Yes, it is.

- -So you can show that the garments last...
- -Exactly. We are really proud of these vintage garments. Those are used, some more, some less. Some are many years used, and still it is possible to use those.
 - 15. For how long time Boomerang is in Finland.

This store is for more than a year, overall Boomerang production is available for around twenty years, I have to check the exact data. It's been a long time since products are imported, but in small amounts, just now in a larger amount. In Helsinki Stockman sells Boomerang, now it took springs collection. Here [in Turku] regular customers had a sweater on offer and in Crazy Days something, but not permanently in here; maybe, in the future.

16. What kinds of problems Boomerang faces on your opinion?

At this point it feels, as everywhere in the clothing industry, that people do not dear to buy, and that they rather buy something cheaper. Our baseline is that garments last, and are worth of buying. More pricy piece, that you wear longer and not many cheaper and weak quality. That is a challenge. I hope myself that this one time use clothing culture would fade away, and people would find alternatives. All the textile industry is at the turning point. That is maybe that makes think...

Less is more...

17. Do you sustainability elements as your competitive advantage?

I think, it is...H&M now has as well that you can return your cloth, and organic cotton is now available... However, I think that quite few advertise it...

-[Discussion on H&M]

That H&M has started this, for sure others will follow and then slowly it will become wider...

On my opinion for many people it is self-evident to think of environment. Maybe not everyone understands this on the marketing side, that this is not just a hippie's thing...

18. Do you consider Boomerang Store as successful here in Turku?

This is quite difficult time everywhere, and this is a fresh brand here, we have had a lot of work to do so that people would find it here; and this location is difficult

even if it is in a very center, but here are not people going walking that much. We still have people coming and saying they have not notice that Boomerang is now in Turku. That happens quite slowly..

-One year is quite short time...

Yes, especially in Turku, here people warm up very slow for new things.

Maybe when we opened our store in Helsinki it helps as here as well.

19.1 suppose the price is quite crucial as well..? Is it more expensive to produce sustainably?

Yes, it is in that way more expensive if the people are used to buy for twenty and then to pay ninety for that. Depend how we look at it, it is not possible to produce ethically for so cheap...

Idea about the consumer culture should chance and we would think what we buy and we buy it for longer time.

20. Is there something you would like to add?

I believe in our brand and its growth in Finland. Visually we represented familiar things for fins. Archipelago, nature, we have united that kind of things. Boomerang is expanding to japan, to England at the moment...

Mammu, Interview

8th May 14, 2014

Production and Quality Manager Ivita Ose

1. Tell about Mammu!

"Mammu is a fashion company that closely cooperates with young Latvian mothers in need. Many of them are less mobile in the job market due to their inability to work fixed working hours. Rather often these women cannot enroll their children into a kindergarten, as the number of places available is limited. If they cannot afford to hire a nanny, a full time job is not an option for them. The state social benefit is so small that these women virtually have to survive on an income way below a minimum subsistence level.

Involvement of these mothers in the business of Mammu providing them with flexible working hours is both ends and means of the business activity of this social business company. Mammu organizes their training, teaches them skills required for production of Mammu fashion wares and provides them with information needed for setting up their own micro-enterprises for production. After completion of the training stage Mammu provides these women with materials needed for production. Once the work is done, Mammu buys these wares from mothers.

Being a social business, Mammu is rather a cause than a profit driven enterprise, and the aim of the Mammu team is the provision of social benefits for mothers, meanwhile producing creative and high-quality fashion products.

Here at Mammu we follow the Grameen principles:

- Our business objective is to overcome poverty, or problems which threaten people and society, not profit maximization.
- We aim for financial and economic sustainability, not charity.
- Investors only get back their investment amount. No dividends are paid beyond the initial investment money.
- When the investment amount is paid back, the company's profit stays with the company for expansion and improvement.
- Our company is environmentally conscious. The workforce gets the market wage with better working conditions.
- We do it with joy

[Copied from Mammu web page by Ose:]

2. Where the idea came from? Since 2009, when Fionn Dobbin was working in the Grameen Creative lab team. This organization is named after the Nobel Prize in economics winner professor Muhammad Yunus for his social business idea

(www.grameencreativelab.com). In the same time advertising agencies' DDB Latvia boss Andris Rubins got interested into social business ideas. When Fionn and Andris met, idea to create social business company according to the Grameen social business principles in Latvia was born. In the same time for Andris Eglajs, advertising agency's ZOOM Berlin department's boss, occurred sad thing in his family: his sister lost her husband and dad for her three kids. Andris Eglajs was telling to Fionn about this sad situation and mom with three kids, and difficulties to work and nurse kids in the same time. So here came the idea to create the company to help lonely mothers earn money when being at home and looking after kids. Soon we realized that all the moms who want can be involved, not just lonely mothers. Idea was to help them earn money and to be with kids at the same time, and not to be dependent just on the social benefits.

First product created were scarves, because those are quite easy to sew and it is a very nice accessory. Now our product assortment is wider.

3. Tell about your projects and sustainable ideas involved in those!

1st was collection of scarfs, designed by Liva Saule (linen + recycled cotton), 2nd was Hayda (sporty), 3rd silk scarf collection by Aliona Bauska, Number 4 was by Mare & Rols (woolen scarves by most recognizable Latvian designers), number 5 was leather goods and knitted items designed by Ernest Alexander, one of 2013's best new menswear designers in America [Latvian descent, had designed collections for Gap]. We have had as well some smaller projects with local or foreign designers. In addition to our own fashion wares we offer production and design management services to other fashion and design studios. Our mothers have many craft skills including sewing, knitting, crocheting, and macramé and can be taught new skills and designs in workshops.

For instance, we have worked as well on the urban street knitting project for German city Wiesbaden. In the time when Global Social Business Summit 2012 was held there, many hundreds of square meters were knitted to dress trees, lanterns, phone boxes and other things in the city.

Our moms who work for us are self-sustainable. They found they own micro company; they use their skills and learn new ones, to earn for themselves and their kids, or to earn just some extra money. Many of them have started to work on their own ideas and even collections. Almost all of them now work as well for others and not just us. Mammu's moms are self-sustainable vs. charity. They do not beg, they are self-sufficient. They are woman with a fishing stick. They do not ask somebody to get a fish for them, but they can get that fish themselves. In the workshops we organize moms learn new skills that they can later use in their own business.

Sustainability is as well in that moms work at home, we do not use any extra resources to have some manufacturing place, and they have their own sewing machines, knitting machines. We use resources that are available. We do not invest in that sense.

Materials for our collections are local very often. For example, linen is made in Latvia. Cotton comes from the local factories.

4. Mammu involves sustainability ideas in its conduct from its very beginning. What kinds of new sustainable ideas and strategies company has been adding to its conduct later and planning to add in the future?

Yes, we how sustainability ideas from very beginning in Mammu. Those come from Grameen principles on which Mammu was based from very beginning, and Grameen principles contain sustainability in different forms.

5. Where/ to what direction do you see your development?

Company must become economically self-sustainable; we still have support from business incubator. We had as well investors' money involved, and that we still have to pay back. We are not self-sufficient for marketing and office management yet.

6. What kinds of materials Mammu uses? (Origin? Nature friendliness?)

90 % of our production is made of natural materials (linen, cotton, wool and silk). Not always, for example, cotton is organic cotton. Because our production volumes are so small, we cannot order the needed amount of organic cotton, for example, from India. Instead we go to the local company Rita, who manufactures as well for big companies like H&M, and take the leftovers which fit our needs. It is cheaper, and in a way better as well, as we do not have to order organic cotton from the other side of the world. Most of the linen is made locally in Latvia; or bought from the neighbor country Estonia. However, silk and wool is coming from Italy.

We have an interesting little project Sophia- that goes further and gives job not for moms but for the grandpas living in the countryside. Sophia is hangers of natural shape. Material is polished branch. Form is natural, it is not changed. Grandpa walks in the forest, finds a fallen branch who fits the shape of hanger, takes it home and polishes, screws the golden covered hook in it and hanger is ready. It is designed by Georg Dwalischwili.

"Sophia is a limited collection of gentle and unique hangers. The hangers feel like holding a tiny white bird in the hollow of your hand - delicate, yet durable. The hangers are made from branches gathered from the forests of Latvia, one of the greenest countries in the world. Grandfathers with years of experience in woodwork forage for the branches clean them from bark and polish them by hand. The hooks are handmade by blacksmiths and gold coated for a finishing, regal touch."

6. Your partners and their sustainable actions/values/products?

Our partners are interested in sustainable business. Our production facilities are used by companies, who want their product to be manufactured in a sustainable manner. From the other side, they choose because we are small and therefore flexible. We can adjust to produce small amounts. We keep up quality control from the beginning till end. We have design connected people in our team, and we understand what good and beautiful product is. You can trust in us. Our partners, for whom we produce (not our own designed things), emphasize, that the product is made by Mammu, because it means good environment and adequate salary.

7. Sustainability and competitive advantage. Does Mammu's competitive advantage lie in the sustainability?

Of course, the story about Mammu and moms make people more open and make them interested in Mammu. That's how we got extra media attention. But in essence we get attention with good design. That is our main competitive advantage- good design. We cooperate with our top designers like Mare&Rols, Aliona Bauska, and Ernest Alexander. They create great design for us. People buy our products not to help mom with three dirty mouth kids, but because our product is beautiful, quality or sexy. Our products are advertised by the same one who catwalk for Dior or Miu Miu. The photographers are the best. On outside we look as any other company in the fashion business. The difference is when you look what is inside. We have sustainability inside. But design and quality is in the first place.

8. Describe your customers!

As our product is not cheap, so the customer is one who can appreciate handmade and good design. Basically those are thirty year olds, then as well forty year olds with average or good income, who follow actualities in fashion. They use Latvian design or appreciate known designer's name. For example, in America it is Ernest Alexander. In Latvia those are Mare & Rols, Aliona Bauska.

9. Do your customers appreciate sustainable elements involved in your business?

I think our customer appreciates as well sustainability element as an extra value of Mammu products.

10. How do you market yourself?

We try to sell and present in the same way as any other company in fashion business. We offer our products just in the best fashion stores, in the best internet shop, because product is not cheap. We use models and photographers; we create appealing visual identity for customers. We have Andris Rubins in our team, DDB Latvia boss [advertising agency]. He takes care that every our collection has a splendid opening: with a great party and media writing about us. Fionn as well, lecturer in Stockholm School of Economics in Riga, and travelling around the world and participating in the conferences related to social business, in the same time advertises Mammu in the world.