Sustainable Retailing in the Fashion Industry: A Systematic Literature Review

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Abstract: Although sustainability in the fashion industry has gained prominence from both business practices and academic research, retailing, a vital part of the supply chain, has not yet been fairly explored in academia. The interest in this area has increased lately, mainly due to the growing complexity within this dynamic context. Therefore, it is meaningful to conduct a systematic review of the relevant published literature in this field. This study aims to identify the main perspectives of research on sustainable retailing in the fashion industry. The content analysis results indicate that the most prominent areas in the field are sustainable retailing in disposable fashion, fast fashion, slow fashion, green branding and eco-labeling; retailing of secondhand fashion; reverse logistics in fashion retailing; and emerging retailing opportunities in e-commerce. The results from this review also indicate that there is a lack of research on sustainable retailing in the fashion industry in the developing market.

Keywords: sustainable retailing; fashion industry; systematic literature review; developing country

1. Introduction

The International Institute for Sustainable Development [1] (p. 11) defines sustainable development as “adopting business strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining and enhancing the human and natural resources that will be needed in the future.” Sustainability has been gaining prominence in many business areas. Research on sustainable supply chains, as a result of the extended supply chains in modern business operations, is one of many areas that have attracted attention from both scholars and practitioners in recent years. The development of the sustainable supply chain in practice has triggered scholars’ examinations. The fashion industry is one of the industries in which scholars often investigate topics related to sustainable supply chains.

In 2015, the apparel market in the U.S. was valued at approximately $343 billion U.S. dollars, and $199.79 billion U.S. dollars (about 58.2% of the whole market) was from retailing [2]. Because consumers of fashion products are increasingly aware of environmental protection, social responsibility, and economical sustainability, the huge sales amount has raised serious issues on the sustainable development of fashion retailing. Retailers are the link between the supplier and the consumers. They could be the “ecological gatekeepers” [3,4] and help the relevant partners along the supply chains incorporate sustainability into the business. For instance, retailers can change manufacturers’ production processes and influence consumers’ consumption patterns through providing information on social and environmental issues related to the supply chain [5,6]. Retailers’ business activities can influence social and environmental sustainability in various areas. For example, they can improve the sustainability of their products and their services, such as delivery, packaging, and assortment. Hence,
it is meaningful to gain an overview of the current knowledge accumulation on sustainable supply chains in the fashion industry.

The fashion industry has attracted the attention of researchers for many years. The interest in this area has increased mainly due to the growing complexity within this dynamic context. In the fashion industry, the markets undergo rapid changes, which require the players to be more flexible and responsive [7]. As retailers are on the frontier, they are crucially important to the flexibility and responsiveness of the supply chain. Hence, in the fashion industry, the retailing end plays a much more crucial role to sustainability than that in most other industries.

Though sustainability in the fashion industry has gained attention from both business practices and academic research, most of the relevant studies focus on supply chain logistics. Retailing, as a vital part of the supply chain, has not yet been fairly explored in academia. Sustainable retailing refers to retailing practices, whereby “retailers minimize emissions, effluents, and waste through continuous improvement in their internal operations” [8]. Sustainable retailing involves two important practices: green transportations, which refer to the movement of green products, and green store operations, which refer to retailing operations that help energy conservation, waste reducing, or recycling. Similarly, Lee et al. [9] demonstrate that sustainable retailing involves green product sales and non-product management (e.g., retail supply chain, customer-facing initiatives, and facilities management).

This current review covers studies on the major fashion business models that are related to sustainable retailing, the popular business practices on sustainability in fashion retailing, and the trends and opportunities of sustainable retailing in the rapid growth of e-commerce in the fashion industry. This paper aims to evaluate the current state of the literature on sustainable retailing in the fashion industry and identify promising research directions for further advancement in the relevant areas.

This review provides implications both theoretically and managerially. Theoretically, this review shows a systematic perspective on the studies of sustainable retailing in the fashion industry and seeks to identify the fitness of the findings to markets with different levels of development. The paper thus aims to contribute to a better systematization of the literature in the field of sustainable retailing in the fashion industry through identifying the most prominent content areas in the research field and comparing the present studies in these content areas. Managerially, this literature review pieces together the findings of extant studies and provides guidance for strategies and practices on sustainable retailing in the fashion industry, such as strategies on secondhand fashion retailing, reverse logistics in fashion retailing, and fashion e-retailing. Moreover, this paper suggests that the practices of sustainable retailing should be considered from an integrated perspective by analyzing the trade-offs between the environmental, economic and social axes. Managers of global fashion companies should consider regional differences between developing and developed countries.

2. Research Methodology

This study used a systematic approach [10,11] to collect data and analyze literature. The systematic literature review approach can “minimize researcher bias regarding the inclusion or exclusion of studies and to clearly channel how and to what extent the review was performed through transparency” [11]. Three key steps were included in the approach: review planning, review conducting, and finding reporting [10]. Our review approach was inductive in nature, since we classified and modified the scheme as we obtained information during the review process, rather than opting ex-ante for an analytic framework. The detailed review process is shown in Figure 1, which demonstrates how this study formed the review process.

The first step was keyword identification, which selected the studies related to our purpose. To focus on most recent articles in the domain of sustainable retailing in the fashion industry, we identified the year 2000 as the starting point and tracked articles up until 2016. We found that research in this field is relatively new and growing. For example, the keyword search does not show
any articles on sustainable retailing in the fashion industry before 2006. Thus, we believe the period between 2000 and 2016 covers all relevant articles in this field.

Meanwhile, since this paper aimed to review all articles in the domain of sustainable retailing in the fashion industry, the authors chose search terms covering both the sustainability (sustainable OR sustainability) and retailing areas (retailing OR retail). The search terms were carefully checked in the titles, keywords, or abstracts of articles in the Scopus database. The Scopus database is a comprehensive academic source; it possesses a wide range of multidisciplinary, peer-reviewed research articles, and is used for a lot of systematic review studies [11,12]. Moreover, the Scopus database includes a great number of journals on sustainability, such as Sustainability, which need to be taken into consideration in the analysis. The study removed reviews, conference papers, working papers, book reviews, and commentaries, while focusing on peer-reviewed journal articles. The first step resulted in 868 research articles.

In the second step, this study reduced the initial list of 868 articles by examining the relevance of the abstract and full text of the fashion industry using specific keywords (fashion OR textile OR cloth OR clothing OR clothes) and deselecting the articles that focused on other industries. This step resulted in 133 full texts with relevance to the fashion industry. In the third step, the authors selected articles relevant to the area of business, management, and economics. Accordingly, articles in the areas of Materials Science, Engineering, Environmental Science, Energy, Arts and Humanities, Agricultural and Biological Sciences, Chemistry, Computer Science, Medicine, Mathematics, and Earth and Planetary Sciences were removed, which resulted in 124 research articles. In the fourth step, the authors carefully read the selected 124 full texts to ensure that the articles truly focused on sustainable retailing in the fashion industry. Seventy-six articles were removed due to their irrelevance to either the fashion industry, the areas of business, management, and economics, the retailing field, or sustainability. The final 48 research articles were used to categorize and create the taxonomic scheme of this study. The next section presents the main findings of the analysis.

**Figure 1.** Flow chart of the research process.
3. Results

3.1. General Overview of Publications

The analysis results of the review show that the 48 research articles come from 19 countries. We measured the number of publications for each country based on the country of affiliation of each author of an article. For example, the three authors of Johnsen et al. [10] are from Italy, France, and United Kingdom, respectively. Thus, all the publication numbers of Italy, France, and United Kingdom from Johnsen et al. [10] are one. Lee et al. [9] have four authors, all of whom are from South Korea. Hence, the publication number of South Korea from Lee et al. [9] is one. This calculation is consistent with the way in which the Scopus database calculates the number of publications for countries. As shown in Figure 2, the United Kingdom, China (including mainland China, Hong Kong, and Taiwan), and the United States contributed the most relevant research papers, followed by Denmark, Sweden, Australia, Brazil, and Germany.

![Figure 2. Overview of the research articles by country.](image)

Figure 3 shows the distribution of the research articles across the study period between 2000 and 2016. It becomes visible that research focusing on sustainable retailing in the fashion industry accelerated after 2011, which suggests that this area is relatively new but growing. For example, in the years before 2006, no articles were found that focused on sustainable retailing in the fashion industry; but in the recent five years, there are nine, seven, 10, six, and seven published research articles in this area, respectively. Thus, the trend of contributions on this topic is increasing.

The analysis results show that the research articles come from 27 journals. Figure 4 summarizes the top seven journals. The largest sources are the *International Journal of Retail and Distribution Management* (9 articles) and *Sustainability* (5 articles), followed by *Clothing and Textiles Research Journal* (4 articles), the *International Journal of Consumer Studies* (3 articles), the *International Journal of Production Economics* (3 articles), the *Journal of Fashion Marketing and Management* (2 articles), and the *Journal of Retailing and Consumer Services* (2 articles).
The content analysis of the selected 48 research articles provides an overview of the topics covered by the literature on sustainable retailing in the fashion industry. The authors followed Lincoln and Guba’s [13] approach to analyze the content of the research articles. First, three experts were invited to highlight the key topics of each article based on its keywords, abstracts, or findings. The authors then sorted the key topics into provisional themes based on “look-alike” characteristics. After that, the articles were further refined by these themes as the data analysis proceeded. The results of data analysis indicated that these research articles could be categorized into five major content areas, which include: (1) sustainable retailing in disposable fashion, fast fashion, and slow fashion [14–22]; (2) green branding and eco-labeling [15,17,20,23–36]; (3) retailing of secondhand fashion [15,18,21,26,32,36–39]; (4) reverse logistics in fashion retailing [21,22,36–38,40,41]; (5) emerging retailing opportunities in e-commerce [15,21,22,42–45], and other areas (i.e., corporate social responsibility in fashion retailing, evolution strategy in sustainable retailing, the effect of sustainable retailing on financial performance, small-scale retailers in the fashion industry, sustainable retailing in luxury fashion brands, sustainable retailing choice evaluation, the ethics of sustainable retailing, sustainable fashion retail supply chains, fashion quick-response systems, inventory models in sustainable fashion retailing, and the future of sustainable fashion retailing).

Based on the number of publications mentioned earlier, we discuss the five major content areas in this paper, including: Area 1, sustainable retailing in disposable fashion, fast fashion, and slow fashion; Area 2, green branding and eco-labeling; Area 3, retailing of secondhand fashion; Area 4, reverse logistics in fashion retailing; and Area 5, emerging retailing opportunities in e-commerce (see Table 1).
Table 1. Content Analysis Results of Topics of Research Articles.

<table>
<thead>
<tr>
<th>Content Areas</th>
<th>Articles</th>
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<tbody>
<tr>
<td>Sustainable retailing in disposable fashion</td>
<td>Bianchi and Birtwistle [14]; Bry et al. [15]; Cortez et al. [16]; Goworek et al. [17]; Joung [18]; Pookulangara and Sheppard [19]; Ritch [20]; Shen [21]; Yeung and Ang [22]</td>
</tr>
<tr>
<td>Fashion, fast fashion, and slow fashion</td>
<td></td>
</tr>
<tr>
<td>Green branding and eco-labeling</td>
<td>Bly et al. [15]; Veludo-de-Oliveira et al. [23]; Faust [24]; Fuentes [25]; Fuentes et al. [26]; Fuentes and Fredriksson [27]; Gam [28]; Goworek et al. [17]; Ha-Brookshire and Norum [29]; Hyllegard et al. [30]; Jones et al. [31]; Kumar [32]; Lee et al. [9]; Ritch [20]; Ritch and Schröder [33]; Ryding et al. [34]; Wang et al. [36]</td>
</tr>
<tr>
<td>Retailing of secondhand fashion</td>
<td>Beh et al. [36]; Bry et al. [15]; Delai and Takahashi [37]; Fuentes [26]; Hvass [38]; Joung [18]; Kumar [32]; Shen [21]; Wilson [39]</td>
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<tr>
<td>Reverse logistics in the fashion industry</td>
<td>Beh et al. [36]; Delai and Takahashi [37]; Hvass [38]; Shen [21]; Shen and Li [40]; Shen et al. [41]; Yeung and Ang [22]</td>
</tr>
<tr>
<td>Emerging opportunities in e-commerce</td>
<td>Ashworth [42]; Ashworth et al. [43]; Ashworth et al. [44]; Bly et al. [15]; Shen [21]; Wiese et al. [45]; Yeung and Ang [22]</td>
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3.2.1. Area 1. Sustainable Retailing in Disposable Fashion, Fast Fashion, and Slow Fashion

Fashion is a complex business that involves long and varied supply chains including production, raw material, textile manufacturing, clothing construction, shipping, retail, and use and ultimate disposal of the garment. Retailing, as a part of the supply chain, is facing dramatic changes in consumption. In many ways, consumerism has become a defining characteristic of modern societies [46], while at the same time sustainability has been an important issue arousing social concerns around the world. In modern times, shopping is increasingly becoming a leisure activity done not out of necessity, but rather out of luxury [47–49]. Such consumerism is in direct conflict with sustainability.

Shopping malls, fashion magazines, catalogs, and Internet advertisements bombard consumers with opportunities to spend their money. The “fast fashion” trend encouraged this rampant consumerism. In fast fashion, designs are usually based on the most recent fashion trends presented in Fashion Week magazine twice a year [50,51]. The quick cycle of the fashion trends from the catwalk to the markets relies on optimizing certain aspects of the supply chain, including the design and manufacturing of clothing collections [52,53]. The optimization of the supply chain aims to allow mainstream consumers to purchase the trendiest clothes at a lower price. Besides, the supply chain of fast fashion churns out new styles more frequently, which makes the fashion cycles move faster than ever. Faster cycling fashions with much more affordable prices entice consumers to purchase and dispose garments more frequently. Hence, fast fashion has also become associated with disposable fashion [54]. Now, fast fashion is leading the way in actual disposable clothing. However, it is particularly worrisome for sustainable development, because it creates a demand for cheap clothing and then, ultimately produces and constantly churns out a massive amount of textile waste, accelerating carbon emissions and global warming [55,56].

In the extant studies, researchers from different countries have examined consumers’ reactions to the paradoxical feature of “sustainable fashion” in various markets. Based on Bly et al.’s [15] research, consumers treat the fast fashion model as the very antithesis of sustainability. Consistently, based on a survey of the students who had purchased fast fashion clothes, Joung [18] found that although fast-fashion consumers were interested in the environment, they did not participate in recycling. However, as indicated by Thomas [57], the sustainable fashion consumption pioneers appear skeptical of the sustainability efforts of the major fashion retailers. Similarly, Faurusch [58] claims that although fashion producers and retailers offer one-off sustainable options, they still rely on hyper-consumption and low prices to meet their business goals.

To solve the problems related to the lack of sustainability in disposable fashion and fast fashion, some famous fast fashion brands launched sustainability programs. For example, the famous Swedish brand, H&M—a typical fast fashion brand actively involved in eco-fashion—has attracted interests from researchers (e.g., Shen [21]). As a pioneer in sustainable fast fashion, H&M produces a ‘Conscious
Collection’ line made of eco-friendly and recycled materials, creates glossy ad campaigns to encourage garment recycling, and has a voucher program offering discounts to those who donate their old clothes at its stores [59]. Beside the Conscious Collection, which represents a small part of H&M’s total collection, H&M is putting sustainability efforts into more of its products [60]. Though H&M’s efforts on being eco-friendly raised questions as to its real effectiveness mitigating the massive and growing environmental pollutions of its fast fashion business, the investment placed into the eco-friendly programs shows H&M’s concern for sustainability.

The slow fashion movement has arisen in opposition to fast fashion [61]. The purpose of slow fashion is not to slow down the textile and apparel supply chain, but to place more holistic emphasis on creating a more sustainable process [58,62]. According to Clark [62], slow fashion offers more sustainable and ethical ways of being fashionable. Different from the greedy consumption, bargain prices, and labor exploitation that fast fashion relies on, slow fashion values quality and long-term thinking. Usually, products in slow fashion are made of durable, recycled or organic materials and feature timeless designs that can be worn year round and do not go out of style quickly, so consumers can keep an article of clothing longer than one season if they feel emotionally or culturally connected to it [63]. This logic suggests that the production and manufacturing process, as well as the final product, should all be sustainable. However, slow fashion items are usually priced higher than fast fashion ones, which deters the majority of consumers from enjoying them.

In short, it is a challenge for the fashion industry to allow the mass market to affordably enjoy fashions sustainably, especially in developing markets where consumers are more price-sensitive. The extant studies on sustainable fashion (including disposable fashion, fast fashion and slow fashion) present a paradox of consumption–sustainability. The findings show that consumers favor the term “sustainable fashion”, but believe that sustainability and fashion are incompatible and likely to create mistrust and confusion [15]. Moreover, consumers’ understanding and evaluation of the sustainability of fashion retailing are different between developed and developing markets.

3.2.2. Area 2. Green Branding and Eco-Labeling

The rise of eco-minded consumption makes people focus more on the sustainability of fashion products, and be more willing to pay a premium for sustainable offerings [64]. Driven by these trends, fashion companies are taking efforts to build up an eco-friendly and socially conscious brand identity [65]. As a result, green branding has been an important topic for both industry and academia in the past decades.

Green branding refers to “an active public communication and differentiation of the brand from competitors through the environmentally sound attributes” [66]. Companies could build green branding by demonstrating environment-friendly attributes or providing a warm glow feeling to customers [67]. In the fashion industry, companies apply many labels to implement the green branding strategy such as “ethical”, “ecofriendly”, “organic”, “natural” and “fair trade” [68]. The abuse of “green” words, however, causes confusion for both companies and consumers [69]. Among these labels, eco-fashion and ethical fashion are the most commonly mentioned terms in the research. Although they are considered exchangeable in most research, there are some fundamental differences.

Eco-fashion refers to a textile and clothing production process that considers the environmental impact [70]. Ethical fashion is defined as fashion products whose production processes follow fair trade principles such as sweatshop-free work conditions, and lessen the environmental harmfulness [71]. A focus on sustainable or renewable materials is an eco-fashion strategy. Fashion products manufactured by eco-friendly materials and under fair-trade conditions are considered to be in the category of ethical fashion [72]. Thus, green branding in the fashion industry should cover both eco-fashion and ethical fashion efforts.

Although previous research (e.g., [9,17,71]) in the marketing field has inconsistent findings on relationships between green attitudes and consumption behaviors, a positive relationship between the higher level of environmental concerns and favorable attitudes toward green products has been
supported across various studies [73,74]. Furthermore, in fashion research, a few studies indicate that customers’ environmental attitudes have an impact on their intention to purchase green fashion products [28,75,76]. Hence, green fashion marketing efforts will foster a positive brand image and increase purchase intentions from existing or potential customers who care about environmental issues. When considering green fashion brands, customers usually focus on two aspects: the “intrinsic characteristics” of the products, such as the sustainable materials and the production processes that concern the environment, and the extrinsic business practices that support the environmental causes. Fashion brands could build up their green image from the inception or by transforming existing brands to encompass the eco-fashion and ethical fashion principles [68].

Extant research also provides insights for fashion companies to optimize green marketing efforts; a summary table is presented below (See Table 2). For example, Lee et al. [9] suggest that consumers’ perceptions of green campaigns are positively associated with their sustainability behavior through the mediating effect of consumers’ green consciousness. Bly et al. [15] examine the effect of motivational and contextual factors on consumers’ sustainable fashion behavior, such as secondhand fashion goods purchases. They indicate that personal style is a critical factor in influencing consumers’ sustainable fashion behavior. Goworek et al. [17] point out that consumers’ clothing sustainability behavior is largely dependent on their existing habits and routines, rather than their awareness of sustainable business practices. Ritch [20] explores the application of sustainability in the fashion industry and finds that the concepts of sustainability have been transferred to the UK fashion retailing and begin to influence consumers’ decision making. Ritch [20] also discovers consumer perceptions of sustainable fashion consumption and finds some barriers to sustainable consumption in the fashion industry. Ha-Brookshire and Norum [29] suggest that consumers’ willingness to pay for premium or sustainable fashion products is positively affected by their attitudes toward sustainable products and brand names, but negatively influenced by consumers’ attitudes towards the environment, age, and price. Kumar [32] describes the practices of sustainable retailing in India and identifies nine core groups of sustainable retail practices, such as promoting sustainable business practices, promoting awareness practices, and consumer involvement approaches. Ritch and Schröder [33] explore the fashion consumption behavior of professional women in the UK and find that these consumers apply heuristics to their fashion consumption behavior.

**Table 2.** Literature Summary on Green Branding and Eco-labeling in the Fashion Industry (selected).

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</tr>
<tr>
<td>Fuentes and Fredriksson [27]</td>
<td>The practices of sustainable services include not only displaying green products, but also promoting green products to consumers in stores and answering consumers’ sustainability questions.</td>
</tr>
<tr>
<td>Gam [28]</td>
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<td>Kumar [32]</td>
<td>Practices of sustainable retailing in India include nine core groups, such as promoting sustainable business practices, promoting awareness practices, and consumer involvement approaches.</td>
</tr>
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<td>Ritch and Schröder [33]</td>
<td>Professional women in the UK apply heuristics to their fashion consumption behavior.</td>
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3.2.3. Area 3. Retailing of Secondhand Fashion

Secondhand consumption has developed as a growing trend in the last two decades in both Western and developing countries. A research report from the Ellen MacArthur Foundation indicates that fashion consumption creates tremendous pressures on the environment; more than 15 million tons of garments are disposed of in landfills annually [77]. It is widely accepted that the promotion of secondhand fashion plays a critical role in altering customers’ purchase behaviors and disposal habits, and secondhand fashion businesses have a significant contribution to sustainable consumption [78]. Beginning in the 1960s, secondhand fashion retailing became a formal business model with multimillion dollar revenues through retail stores, consignment stores, and charity shops. One of the core operation parts of the business is recycling. Fashion product recycling could be categorized as three types: “up-cycling”, “down-cycling”, and “reusing”. Secondhand fashion retailing relates most to “reusing”, which represents collecting, selling, and exchanging used fashion products [79].

Two interrelated, parallel terms are used in secondhand fashion consumption, with both similarities and differences in their definitions. One term is secondhand fashion, which is defined as previously owned and used fashion products [80]. Secondhand fashion categorizes any fashion product that has been used before, notwithstanding the product age [81–85]. Consumer decisions to acquire secondhand fashion products are mostly motivated by lower prices and are often associated with sustainable consumption behaviors [86]. The other term is vintage fashion, which is defined as “a rare and authentic piece that represents the style of a particular couturier or era” [87]. Compared with secondhand fashion, vintage fashion products’ value is more related to their age, era and even condition [80,83,87].

Some studies have discovered the motivation of secondhand fashion consumption. These studies indicate that secondhand fashion consumption is motivated not only by money saving [86]. For example, Carrigan et al. [81] indicated that compared to cheap fashion, which represents disposable fashion, luxury fashion brands represent a more sustainable conscientious type of fashion. For example, many consumers are motived by the thrill of the hunt for secondhand luxury fashion consumption, and cherish their heritage and quality. Cervellon et al. [80] find that the motivations of vintage fashion consumption are quite different from those of secondhand fashion consumption. The primary two motivations that drive vintage fashion consumption are nostalgia and fashion involvement, both of which influence vintage fashion consumption directly and indirectly through treasure hunting. However, the main motivation of secondhand fashion consumption is frugality, which affects secondhand fashion consumption through bargain hunting. Guiot and Roux [83] show that secondhand fashion consumption is motivated by rarity and nostalgia. Joung and Park-Poaps [84] generalize that environmental concerns could motivate customers to resell and donate fashion products, but economic benefits are the main consideration on reusing and purchasing.

In this area, there are a limited number of studies focusing on the second-life fashion from a retailing perspective. For example, Fuentes [26] analyzes the retail sustainability of Myrorna, Sweden’s largest secondhand retailer. Beh et al. [36] examines secondhand fashion from the reverse retailing perspective. They show that second-life fashion retailers use a business model to extend the product life. Based on the Business Model Canvas and a mapping reverse-retailing approach, Beh et al. [36] investigate two off-price secondhand fashion retailers’ business models and analyze future designs of the models. Furthermore, secondhand fashion retailing has the potential to positively...
influence company revenue through an increased customer base and customer loyalty [38]. Fashion companies could apply two broad strategies to this business. First, they could launch an in-store product-collecting program to encourage customers to return used products [38]. For example, H&M imitated the clothing-conscious collection campaign in 2013, and has collected more than 39,000 tons of used cloth through its retail stores [88]. Second, they could develop resale channels to capture the residual value of used fashion products. For example, Eileen Fisher sells used products at Green Eileen secondhand retail stores [38].

To address these challenges, researchers have proposed various suggestions. Specifically, secondhand fashion retailers should focus on the quality of the product, build up a loyalty membership program, and educate customers to develop a green attitude [32]; provide transparent information about the benefits of secondhand purchases, raise the public awareness of fashion recycling, and encourage consumers to engage in secondhand purchases [39]; and cooperate with charity organizations to promote secondhand product reuses [38].

3.2.4. Area 4. Reverse Logistics in Fashion Retailing

Reverse logistics is a process of returning goods or materials to be reused or recycled [89,90]. It is an efficient and sustainable strategy that has been widely used in the fashion supply chain. Using reverse logistics, the value of returned fashion products is increased in a way whereas these returned products are resold to other markets or recycled in a sustainable manner [40]. One type of reverse logistics refers to the return policy between retailers and suppliers, which is defined as retailers receiving monetary support from suppliers for returning unsold products and subsidizing some loss at the end of the selling season [40]. As an example, department stores (e.g., Kohl’s) in the United States would receive buy-back credits from some fashion suppliers (e.g., Ralph Lauren) for returning unsold products.

Researchers on the return policy between retailers and suppliers find that the return policy can be used to achieve supply chain coordination. For example, Wang and Webster [91] show that the return policy between retailers and suppliers can improve the supply chain and their agents’ performance. Kurata and Yue [92] find that combining such a return policy with a scan-back trade deal helps the supply chain to achieve coordination and benefits both the retailer and the supplier. Also, some studies on the return policy between retailers and suppliers indicate that the return policy is associated with sustainability.

In the fashion industry, Delai and Takahashi [37] are the first to identify the sustainability issues in the Brazilian retail industry (including the retail of clothing and shoes). They conduct a content analysis of the retailers’ practices and find that very few reverse logistics were identified in Brazilian retailers. Shen and Li [40] examine a fashion supply chain under a return policy between a retailer and a supplier. They find that if the logistic cost of product returning is low, the return policy might not benefit supply chain sustainability. Beh et al. [36] have examined the impact of the entrepreneurial business models of two off-price retailers on fashion retailers’ reverse supply chains in Malaysia. They use the Business Model Canvas to explain the characteristics of second-life retailers that reduce waste and democratize consumption in the reverse supply chain. Beh et al. [36] indicate that retailers in developing countries have characteristics of both traditional business models and off-price retailing. Shen et al. [41] explored the effect of the markdown money policy (MMP), a similar policy to the returns/buy-back policy, on sustainable retailing. They find that retailers in China are more likely to be offered MMP than retailers in the United States.

The other type of reverse logistics occurs between consumers and retailers, which can vary across five different dimensions, including time, money, effort, scope, and exchange [93]. Studies on the return policy between consumers and retailers focus on two aspects: the effect of the policy on customer behavior and loyalty [94–98], and the effect of the policy on retailers’ profitability [99,100]. Most studies from the customer behavior perspective show that this type of return policy can attract more consumers and create more loyal customers [101]. For example, the return policy can reduce consumer risks,
and thus increase demand [93]. It can also lower transaction costs and increase customer value [102]. Moreover, this return policy increases consumers’ confidence in a retailer [95]. However, research from the profitability perspective indicates that the return policy between consumers and retailers might not maximize profitability. For example, Hjort and Lantz [96] find that offering the same return condition to all customers cannot maximize profitability. They suggest that from an economic perspective, such a return policy is not recommended. Lantz and Hjort [99] confirm that free returns can reduce the average value of orders. Hjort and Lantz [101] further demonstrate that the free-return policy does not contribute to retailers’ long-term profitability, but repeat customers can generate more contributions. However, it is notable that some researchers (e.g., [103]) argue that even though the return policy might not increase profitability, it is still valuable for retailers.

In the fashion industry, Hvass [38] analyzes reusing and recycling practices in the global fashion industry using a qualitative multiple explorative case study approach. She finds that reusing and recycling strategies vary across different cases. Some brands (e.g., Jack & Jones, Boomerang, Jackpot, Marks & Spencer, and Levi’s) ask consumers to donate used products to charities directly or use their in-store take-back process. Some brands (e.g., Filippa K, Eileen Fisher, Boomerang, and Katvig) try to develop new retail channels to collect used products. Hvass [38] also indicates that the use of a gift voucher or a discount coupon is popular among these brands to encourage consumers to return used products. Shen [21] conducts a case study of H&M, a Swedish fast fashion company. He indicates that H&M has promoted the sustainable retailing across 54 countries through their return policy program. In the policy, consumers can return any old apparel products to H&M stores and get a 15% off coupon in return.

3.2.5. Area 5. Emerging Retailing Opportunities in E-commerce

The development of information technology highly contributes to the sustainability of fashion e-retailing [44]. The literature on fashion e-retailing has provided insightful examinations of various forms of fashion e-retailing, such as traditional fashion e-retailing and blog shops. Traditional fashion e-retailing, mostly operated by registered well-established online fashion retailers, uses two main strategic approaches: “Clicks-and-Mortar” (CAM) and “Pure-Play”. While “Clicks-and-Mortar” has both e-retail and offline storefronts, “Pure-Play” operates through online stores only. Compared with traditional fashion e-retailing, blog shops are largely unregulated and operated by inexperienced entrepreneurs selling products through blogs. Yeung and Ang [22] have compared the major difference between two forms of fashion e-retailing (see Table 3).

Table 3. Two Forms of Fashion e-Retailing.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Traditional Online Retailing</th>
<th>Blog Shops</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>Increasingly regulated</td>
<td>Largely unregulated</td>
</tr>
<tr>
<td>Consumers interface</td>
<td>B2C (Amazon) and C2C (eBay)</td>
<td>B2C</td>
</tr>
<tr>
<td>Scale</td>
<td>Various sizes</td>
<td>Mostly small</td>
</tr>
<tr>
<td>Retailing space</td>
<td>From virtual to physical space</td>
<td>From virtual space to bricks and 2mortar</td>
</tr>
<tr>
<td>Remarks</td>
<td>Well established, dominated by international B2C platforms with highly efficient supply and distribution networks</td>
<td>Newly established, and mostly established by inexperienced young firms in Asia</td>
</tr>
</tbody>
</table>

Source: Yeung and Ang [22].

Regarding the impact of e-retailing on the fashion industry, there are two different schools of thought. Some researchers persist that e-retailing threatens customer loyalty and creates customer confusion [104], and fashion is reluctant to embrace e-retailing [105]. In contrast, most researchers believe that e-retailing can reduce costs, grow a loyal customer base, and provide an opportunity for accumulating new business and developing international markets [106]. A majority of studies report that small/medium-sized (SME) fashion retailers in particular can benefit from better e-retailing [107].
Nevertheless, many SME fashion retailers have avoided e-retailing [108,109] and use fashion websites purely to provide information instead. Therefore, designing a route for sustainable and profitable e-retailing is of great importance for fashion retailers, especially for SME fashion retailers.

Several scholars have explored strategies to develop sustainable fashion e-retailing. For example, Ashworth et al. [43] uses a comparative case study approach and reports a five-stage e-retailing framework for both CAM and “Pure-Play”, which indicates how fashion e-retailing can be sustained and demonstrates the benefits of cyber-selling. Ashworth et al. [44] uses a three-stage approach to analyze the key factors in developing a profitable, sustainable fashion e-retail venture through a qualitative case analysis. Ashworth [42] conceptualizes the development of “Pure-Play” fashion e-retailers in the UK by using a six-stage process. Shen [21] analyzes the e-retailing practices of H&M in several developed countries and suggests that H&M take human and economic well-being into consideration in its e-retailing practices, rather than the environment. Bly et al. [15] indicates that the development of the Internet has changed the way that consumers engage in negotiating sustainable fashion consumption in their daily lives. Yeung and Ang [22] explain how blog shops can be extended from online platforms to bricks and mortar shops in Singapore and outline a generalized developmental way for blog shops.

4. Conclusions

This study analyzed published research articles to clarify the fields of sustainable retailing in the fashion industry. Strictly following the review framework proposed by Karaosman et al. [11], we selected 48 articles for the review. The analysis results show that the field of knowledge advanced primarily after 2006 and is currently increasing. Results from the content analysis of the 48 articles show that the extant studies cover five prominent research areas of sustainable fashion retailing. Area 1 relates to articles that discuss sustainable retailing in disposable fashion, fast fashion, and slow fashion. Current studies on disposable fashion, fast fashion, and slow fashion in different countries show that the understanding and evaluation of the sustainability of fashion retailing would be different between developed and developing markets. In developed markets, consumers would understand fast fashion and slow fashion as a lifestyle choice rather than fashion [15,19] and are more likely to engender in a deeper notion of self [110]. On the contrary, in developing markets, consumers care more about the sustainability or at least have similar levels of environmental awareness as those in the developed markets, but view sustainability in terms of either legal compliance or corporate philanthropy [14,111]. Hence, though the size of fashion markets in developing countries is huge, there is a lack of sufficient studies on relevant sustainability approaches.

Area 2 involves articles on green branding and eco-labeling. Although most environmental problems caused by the fashion industry occur in developing countries, we find that most studies and research contexts for green branding in the fashion industry are from Western developed countries (e.g., [23,24,28–31,33]), and there is only a handful of researchers focusing on developing countries (e.g., [15,17,20]). The majority of researchers are from Europe and the United States, which both have fast-growing consumer populations that value eco-friendly practices from fashion brands [20,26–28]. There is a lack of research in developing countries that explores how to cultivate consumers’ understanding of green fashion and help local fashion companies to build up a competitive advantage by introducing ethical fashion practices.

Area 3 relates to articles discussing retailing secondhand fashion. Secondhand fashion has gained attention from researchers in both developing countries (e.g., [32,36]) and developed countries (e.g., [15,18,26,37–39]). However, the most extant research explores companies’ sustainability practices in developed countries, because there are more established companies that have built upon their business success and continue to have an influential impact on the business model. However, developing countries have unique social-economic conditions and different market expectations on secondhand fashions. Therefore, it is worthwhile for researchers to explore further how secondhand fashion retailing could create value for both companies and societies in the developing countries.
Area 4 refers to articles on reverse logistics in the fashion industry. Reverse logistics is critical to fashion retailers’ success and is important in both developing and developed countries. Shen et al. [41] examine the effect of MMP, a type of reverse logistics, in the fashion industry from a cross-cultural perspective. They show that cultural factors could influence the effect of MMP in the fashion industry. Specifically, retailers in China are more likely to be offered MMP than retailers in the United States. However, different from Shen et al. [41]’s findings, most articles that have examined reverse logistics in the fashion industry come from developed countries (e.g., [22,37,38]), while a significant gap exists in this research area in developing countries. Therefore, researchers in developing countries should pay careful attention to reverse logistics in the fashion industry.

Area 5 focuses on emerging opportunities in e-commerce for sustainable fashion retailing. Seven out of 48 selected articles examined the practices of e-commerce in sustainable fashion retailing (e.g., [15,21,22,42–45]). Interestingly, all seven articles investigate fashion e-retailing in developed countries. Whether the findings in developed countries can be generalized into developing countries is not clear. Thus, research is needed to explore e-commerce for sustainable fashion retailing in developing countries.

In summary, most of the previous studies on fashion-related sustainability are from developed Western markets. However, sustainability is a much more critical issue in developing as compared to developed ones [112]. Given the increasing significance of sustainable retailing in the fashion industry and the huge gap in the role of sustainability between developed and developing markets, it is meaningful to examine the relevant literature that has been published to date. First, such a review can provide a more cohesive understanding of the current situation of sustainable retailing in the fashion industry, the problems faced by retailers when practicing activities addressing sustainability, and the trends and opportunities for sustainable retailing in the fashion industry. Second, this review pieces together the findings of the extant research and shows the gap between the practical needs and the relevant research in developing markets. Therefore, future research could focus specifically on sustainable fashion retailing in developing countries.

Furthermore, there might be a potential issue where high-end and low-end retailers have different attitudes toward sustainable retailing in the fashion industry. MacCarthy and Jayarathne [113] compare the sustainability practices of two clothing retailers, one of which is a leading brand retailer, and the other is a supermarket retailer. From the perspective of sustainability, the two retailers show significant differences in that the leading brand has much more experiential practices and initiatives than the supermarket retailer. For example, the leading brand retailer exerts sustainability pressure on the entire retailing network, whereas the supermarket does not place pressure across its network. Moreover, from an environmental perspective, the leading brand retailer has developed environmental collaborations, while the supermarket has engaged in only environmental monitoring. Thus, the authors suggest that a leading brand retailer might perform better in sustainable practices than a supermarket retailer. However, this field is still new, with very few studies in the selected 48 articles. More future work is required to examine the similarities and differences of sustainability retailing between different companies in the fashion industry.

While we are witnessing the efforts that fashion companies make toward sustainable retailing practices, the adoption of promoting sustainability may be at risk in the retail sector of the fashion industry. A positive environmental effect from promoting sustainable retailing might hide a negative influence on the economic or social axis. For example, reverse logistics might cause an increase in storage costs and result in escalated general costs [36]. Battaglia et al. [114] suggest that promoting sustainability in Unicoop has a risk of negative relapse in its reputation. Thus, the promotion of sustainable retailing should be considered from an integrated perspective by analyzing the trade-off between the environmental, economic and social axes. Moreover, promoting sustainable retailing brings challenges to global fashion companies, as regional differences exist in the view of sustainability. This can be seen from our finding on the academic and practical differences of sustainable retailing between developing and developed countries. de Brito et al. [115] also indicate that some sustainability
practices might meet severe reluctance beyond developed countries, since agents in the developing countries might refuse to cooperate. For example, when Van Bommel, a top-quality shoemaker, tried to assess the environmental performance of the suppliers, its Indian suppliers refused to provide environmental information. Future research could investigate the negative effect of sustainable retailing on the fashion industry.

Lastly, although we have seen progress in regards to sustainable retailing in the fashion industry, the whole fashion industry has lagged behind other industries, such as the food industry, in embracing sustainable retailing. For instance, very few retailers in the fashion industry have provided detailed information on ethical products [116]. Moreover, customers in the fashion industry have paid little attention to material sustainability [117] and are even skeptical of sustainable claims made by fashion retailers [118]. Therefore, fashion retailers should take action to build sustainability into their retailing. Benedetto [119] proposes an agenda for the future in sustainable fashion retailing that provides some directives for management, including increasing the availability and visibility of sustainable products in retail stores, and increasing information and transparency in retailing.

This study provides implications for the field of sustainable fashion retailing through mapping and tracing the research areas surrounding sustainable fashion retailing. However, there are some limitations in this study. First, this study only searched articles in the Scopus database. Although the Scopus database possesses a wide range of multidisciplinary, peer-reviewed research articles and has been used for many systematic review studies [11,12], some other databases might have covered this area as well. Second, this study only chose published research articles from academic journals. Future researchers could take a look at some possible interesting insights from commercial journals, magazines, and books. Finally, future researchers could also consider the network of studies in this field, which may enrich the understanding of the research on sustainable fashion retailing and the connections between various studies and authors.

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