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Strategic Direction



Pseudo green players and their greenwashing practices: a differentiating strategy for real green firms of personal care category

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Shweta has gone to a supermarket to buy soaps and shampoos for her newly born baby and she has lot of brands available. She wants to pick products that are chemical free and have only natural ingredients.

This is not only Shweta's story, many consumers are now choosing the products that are environment friendly, natural and chemical free.

In the consumer markets, corporations are feeling pressure to go green. A number of companies have come up with green product alternatives for consumers. However, many of such efforts are being discussed from the perspective of justifying whether they are real or merely misleading advertisements to promote the image of the brand. Scholars have termed these misleading advertisements as "greenwashing" which is also known as "eco-washing", "green makeup", eco-bleaching' etc (Parguel *et al.*, 2011; Chen and Chang, 2013; Lyon and Montgomery, 2015). Greenwashing practices have infused new competitive dynamics amongst the green product manufacturers. Real green players or the companies that are genuinely investing in green practices and changing the way they operate and manufacture their products are finding it difficult to cope up in the market. It has become difficult for real green companies to differentiate themselves from the greenwashing practices by so-called pseudo-green players. How can the real green players differentiate themselves from pseudo green players remains a challenge.

Greening in personal care products

Increased preference for green products and enhanced environmental awareness among consumers has resulted in increased number of new green brands in the market. Particularly in the personal care category, the global market is expected to witness substantial growth. Grand View Research (2009) has estimated that personal care industry will reach USD 25.11 billion by 2025. The report suggested that the increasing demand for cosmetics and skin and hair care coupled with rising need for environment- and animal-friendly products is expected to drive the growth. Erceg (2018) expressed that the entire "Natural" segment is growing strongly. This expression stemmed from the fact that the sustainable growth with sustainable products can be driven more strongly in the personal care category by making the right claims on the products.

Today, consumers have become more involved with skin care and personal care products. It is a common belief among consumers that anything that is natural or herbal will have fewer side effects compared to chemical-based products on skin. This has led many companies to launch new brands or existing brands to launch new products in green

category. FMCG company Unilever has targeted ethical and environmentally conscious millennials with its newest personal care brand, Love Beauty and Planet (LBP), which was launched in 2018 in UK. Forest Essentials, Kama Ayurveda, Tjori are some other examples of personal care brands promoting their products as natural and green.

Reckitt Benckiser (RB), the consumer health and hygiene company that owns Dettol has recently launched new range of soaps and hand washes infused with natural tulsi and jasmine (Bansal, 2019). HUL has extended its soap brand Lux into the herbal and natural segment with the Lux Botanicals range infused with honey, aloe vera and other natural ingredients.

Some of the existing brands from the similar product categories also attempted to introduce a new product channel simultaneous to their existing range. Almost all of the existing brands in different categories responded to the consumers green needs by establishing green marketing strategies such as green alliances, green innovating, greening the organization (Duffett *et al.*, 2018).

Pseudo-greens marketing gimmick or greenwashing

When a marketing strategy is combined with environmental concern, it is called “green marketing”. Companies use a range of undertakings to satisfy the consumer demand for environmentally friendly products (Laufer, 2003). Revamping advertising, product adjustment, altering production operations, sustainable packaging and of course recycling are some of the measures companies are choosing (Baker, 2002). Any communication that misleads people in adopting overly positive beliefs about an organization’s environmental performance, practices or products can be termed as pseudo-green’s marketing gimmick or greenwashing. Today, possibly because of the growing demand for green and organic products, greenwashing instances are increasing. The greenwashing practices (cheating the consumer) are generally related to green packaging, which relates the product to the environment or shows it as an organic product by way of including a picture of leaf, or green fonts etc. Other greenwashing practices can be vague, irrelevant, and even false information about the product being green or ecologically safe.

Seven sins of greenwashing

TerraChoice (2009) listed “7 sins of greenwashing” and stated that any firm that is into green advertising does at least one of the 7 sins of greenwashing listed in the report. These seven sins of greenwashing are:

1. Sin of hidden trade off: Companies label their product as eco-friendly but do not mention their negative impacts on environment;
2. Sin of no proof: Many brands while advertising makes claims without any evidence e.g. ‘animal testing free’ but without any evidence;
3. Sin of vagueness: There are companies using terms that are poorly defined, broad or misunderstood. For example, advertisements may say that ‘*we have 100% natural ingredients*’. What are those natural ingredients is not specified;
4. Sin of irrelevance: Companies stating about an environmental claim that is technically true but is unimportant or unhelpful for consumers seeking environmentally preferable products. ‘*CFC free*’ is a common example and a frequent claim. Despite the fact that CFCs are banned by law;
5. Sin of lesser of two evils: Companies may claim that their product is ‘natural’ or ‘organic’ than another product but in reality, the impact of the product is no good. For example, advertising a cigarette brand as ‘organic’;

6. Sin of fibbing: Advertising about something that has little or no truth; and
7. Sin of worshipping false labels: In this type, products through images or words create an impression of third-party endorsement. However, in reality no such endorsements exist.

TerraChoice research findings suggested that in most cases the companies are involved into 2-3 sins while advertising for their green products. Pseudo green players use such form of advertising where consumers are misguided regarding the environmental benefits of product or service. This form of advertising, emphasizes elite power and propaganda in influencing how people think of companies' environmental performance.

Through one or more greenwashing practices, the pseudo green players are able to create a green impression in front of consumers and thus give tough competition to the real green brands.

What green organizations can do?

The companies need to visibly demonstrate how the green brands make a real difference to people's lives through their environmental and quality of life benefits (Danciu, 2015). If the companies are concerned for environment, they need to be ready to invest in a new green manufacturing setup. Ethical sourcing or responsible sourcing is a way to establish the sustainable product.

Pseudo green players through greenwashing behaviours, try to get a competitive advantage with minimum green effort. An additional challenge for the firms lies in the marketing of the product so as to differentiate themselves from other product ranges and particularly from the pseudo green players.

The green organizations can bring in differentiation through:

Awareness regarding Greenwashing: It is important to make consumers realize that they are being deceived because of greenwashing practices. And for this, real green organization needs to create awareness regarding greenwashing and the ways pseudo green companies use to cheat consumers.

Highlighting Environmental Issues: Green organizations need to take adequate measures and raise awareness regarding the environmental issues through a new language.

Exposing the brands/products using Greenwashing: Real green companies need to publicize the typical greenwashing behaviours and take steps to expose them. This may act as a defensive advertising strategy and can provide a platform to green firms to publicize their green efforts. For this reason, providing statistical evidences of the greenwashing practices may help persuade the consumers. Exposing deliberately misleading information will only work for the more obvious and active greenwash.

Demonstrating Green behaviour: Last but not the least, real green companies need to demonstrate the commitment towards greening by implementing green human resource practices, promote green supply chain and reducing, reusing and recycling all possible waste.

Keywords:
Greenwashing,
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Personal care,
Pseudo green players

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Risk Perception and Tourist Types: A Study Among International Tourists

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ABSTRACT

Over time, tourism has become an industry that has a visible impact on the overall development of the society. This study examines the impact of perceived risks on different types of tourists classified on the basis of travel motives and would help develop a variety of risk-reducing phenomena and paraphernalia to supply to the traveller. Based on a survey conducted among tourists visiting a tourist destination, the study explores the differences in risk perception among different tourist types. The study uses a self-designed scale on type of risks against the ITR scale that classifies travellers into three types based on their travel motives. Findings supported two types of tourist classification against the three types in the existing ITR scale. Findings further revealed that there is a significant difference in the risk perception of the two types of tourists based on their travel motives in case of satisfaction risk, exhaustion risk and psychological risk.

KEYWORDS

Exhaustion, Risk Perception, Risk Taking, Tourist Role, Travel Motives

INTRODUCTION

In the world economy today, tourism stands at the top of the crest. Tourism industry today is one of the topmost and is thus responsible for providing employment to a vast sum of the population. The industry as a whole is accountable for generating immense revenue for the state or the country that destination belongs to.

For many tourist destinations all over the world, tourism plays an important role in the local economy, providing employment opportunities and foreign exchange and enabling transport and communication connectivity (Gossling, 2003). Tourism in a way also aids in the continuous development of the tourist destination. This development such as urbanization, improved transportation, and infrastructure, which takes place in order to attract the visitors to a destination, besides, pays a benefit even to the local residents.

Travel Researchers have acknowledged the image of a destination as an important factor that affects the tourists' travel decisions to a particular destination (Bigne et al., 2001; Birgit, 2001). There are several past studies on perceived risk measurement and revisit intentions of travelers. Perceived Risk is understood to help predict the depth of potential effectiveness achieved from a distinct travel experience and the behavioral intentions to revisit that specific location (Chen & Chen, 2010; Cole & Illum, 2006; Lee et al., 2007).

Leiper (1979) explained in his study that tourism as a system is a process which encompasses visitors leaving their homeland and visiting unusual destinations, traveling to and staying at tourist destinations, and returning to their destination of stay. World Tourism Organization (WTO), states that tourism "comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes, distinct from the exercise of an activity remunerated from within the place visited" (OECD, 1998, p. 1).

As tourists usually travel with people known or unknown to experience places and cultures through interacting with the familiar and the unfamiliar (Pearce et al., 2011), travel risks get associated with the travel decisions at every step. Tourism planners need to be conscious about the risks that might cause anxiety among visitors. This conscience should also apprise promotion strategies. This is of particular importance in the developing world where tourism is being promoted as an important market sector (Burns, 1999).

Previous research in the field of tourism risk perception has shown that the perception of risk associated with travel decisions has a strong impact on travel planning and destination choice. Many researchers have looked into the impact of tourism risk perception on different types of risks associated with travel. Researchers also have looked into the effect of risk perception on tourists (e.g. Sonmez and Graefe, 1998a; Fischhoff et al., 2004), the affiliation between risk perception and choice of destination (e.g. Lepp and Gibson, 2008), and the effect of the type of holiday chosen on risk perception (e.g. Reichel et al., 2007), as well as the influence of tourist personality

(e.g. Roehl and Fesenmaier, 1992; Carr, 2001). The overall Travel decision-making process is a complicated one that is risky and uncertain (Sirakaya & Woodside, 2005).

Positioned on the south West Shoreline of India, Goa is appraised amongst the finest twenty travel destinations worldwide, and the state economic system depends largely on vacation industry and its concomitant activities. Owing to the existence of astonishingly favorable surroundings for tourism (Goa's immaculate coastline, Gothic churches, temples, and cultural centenaries, cuisine, tropical weather, hospitable and companionable public and multi-culturally habituated), Goa is on the topmost grade of preference for nearly 12% of foreign visitors that vacation in India (Goa Tourism).

Understanding the risks associated with travel decisions as perceived by the different tourists, help to improve the overall destination image. This study expects to answer three research questions. RQ1: What kinds of risks are perceived in International Tourism? RQ2: What are the types of International Tourists, RQ3: Do risk perceptions of International tourists vary according to tourist types?

LITERATURE REVIEW AND HYPOTHESES

International tourism emerges long ago as a significant and distinct field of study with visitors' traveling abroad only for leisure or other forms of travel activity. The term tourism has been defined differently, and some authors choose to define the term with somewhat similarities. It is serious and yet difficult for analysts in the tourism industry to come to a compromise about a universal definition of tourism. The issue of perceived risk raises a key question as risk and safety is perceived differently by different tourists' types in international tourism scenario along with the factors that influence this perception (Lepp and Gibson, 2003).

Tourism in any form is acknowledged to have noteworthy positive and negative commercial, ecological, and societal influences upon a tourist destination. On a positive front, it acts as a pull factor for the Crime has a most undesirable social impact on the destination image. Over past many years, there has been a growing body of literature investigating the impact of risks on the destination image. 'Risk and tourism are interwoven as the purchase of the leisure trip are inherently attached to risk' (March & Woodside, 2005). 'Similarly, tourism is service in nature and thereupon it inherits the intangibility, heterogeneity, perishability, and inseparability characteristics from services' (Mitchell & Greatorex, 1993; Williams & Baláž, 2013).

Advanced research on risks associated with tourism have distinguished four risk factors: Terrorism (Sonmez et al., 1999); war and political instability (Gartner and Shen 1992; Hollier 1991); health concerns (Carter, 1998; Cossens and Gin, 1994); and crime (Brunt et al., 2000; Dimanche and Leptic, 1999; Ellis, 1995; Pizam, 1999).

Gibson and Yiannakis (2002) analyzed the choice of a tourist role over a lifetime period and acknowledged that the inclination for risk-related travel has a propensity to decline with age. Influence of gender on the perception of risk as per literature is not consistent. George (2003) and Barker et al. (2003) research on tourist's safety revealed that alteration in the length of stay at the tourist destination impacts the exposure to

risk, and this has to be deliberated in any description of comparable levels of crime-risk faced by the visitors. Also, much research further on risk perception factors and travel decisions of individuals is conducted, which states that, perceived risk amid diverse vacationers perhaps will be different according to individual's personality type, age group, culture, tourist role, nationality, gender, travel arrangement, motivating factors, etc. (Lepp & Gibson, 2003; Reisinger & Mavondo, 2005, 2006) Tourism and Risk researchers over time have sought to establish whether the tourism industry in distinctive tourist locations generates distinct risk possibilities. In essence, an increase in tourist activities may well result in an escalation of various types of risks. The research is conducted at multiple levels in order to understand the difference in the types of risks in terms of factors such as socio-demographics, travel motives, the purpose of a visit and so on.

Types of Risks

The significance of perceived risk has been emphasized in the prevailing literature. Roehl and Fesenmaier (1992) identified risks associated with travelers and underlined seven risks allied with travel decisions. These risks included equipment, financial, physical, psychological, satisfaction, social, and time risk. The definitions of the risk types are provided in Table 1.

It is understood from the literature that individuals perceive salient dimensions of risk when contemplating global leisure travel. An exploratory study on destination risk perceptions and risk reduction strategies of first time versus repeat visitors to a highly volatile destination (Fuchs & Reichel, 2011) provided evidence that financial risk is perceived by international travelers. The current study proposes that financial risk would be significant among tourists visiting international tourist destination.

A study on extension and validation of food-safety risk in international travel destinations (Yeung & Yee, 2013) has concluded that time risk and satisfaction risk is significant among travelers. Current study conceptualizes the significance of Time and Satisfaction risk among international travelers.

A Study on Drug and risk-taking in tourism (Urily & Belhassen, 2006) have analyzed tourists in terms of social risk not being significant, specifically in regard to voluntary risk-taking behavior. This study proposes that social risk will not be significant as per the above-stated study elucidations on drug and risk-taking.

As per Roehl and Fesenmaier (1992) study findings on tourism risk, equipment risk is highly perceived by tourists. The current study proposes that the equipment risk will be significant among the tourists.

Roehl and Fesenmaier (1992) defined Psychological Risk as "the possibility that the trip to a particular destination will not reflect an individual's personality or self-image." As per the study that compared the risk perception between national and non-national consumers in the U.K., regarding purchasing four different types of products (Mitchell & Groatorex, 1990), the psychological loss was significantly more important for foreign consumers. This study thus proposes that psychological risk would be significant among international travelers.

Table 1. Types of risks-definitions

Sr. No.	Risk Types	Definition	References
1	Time Risk	Time Risk explains the potential for missing benefits due to an error in timing or wastage or loss of time.	Yeung and Yee (2013); Roehl and Fesenmaier (1992)
2	Physical Risk	Physical risk concerns in the tourists' mind that the service or activities being considered for purchase will be harmful, unhealthy or cause injury	Le Serre and Chevalier, (2012); Roehl and Fesenmaier (1992)
3	Equipment Risk	Equipment Risk concerns' risk associated with the use of non-standard or non-serviced equipment.	Roehl and Fesenmaier (1992)
4	Financial Risk	Financial risk is a collective phrase for several kinds of risk coupled with the loss of money	Fuchs and Reichel (2011); Roehl and Fesenmaier (1992)
5	Psychological Risk	psychological risk factor is defined as whether the particular tourist activity or attraction is consistent with the prospect's sense of self-identity	Roehl and Fesenmaier (1992); Mitchell and Greatorex (1990)
6	Satisfaction Risk	Satisfaction is the visitors' expressive state after they have experienced the destination	Yeung and Yee (2013); Roehl and Fesenmaier (1992)
7	Social Risk	Social Risk is associated with whether tourists will earn the approval or disapproval of their social group by their visit to a particular attraction or experiencing specific activities. Social Risk includes visiting a place which is culturally unfamiliar and forbidding or unintentionally getting involved in some activities, which would hamper ones' social status.	Urily and Belhassen (2006); Roehl and Fesenmaier (1992)

A study on marketing travel services to senior consumers (Le Serre, & Chevalier, 2012) has concluded that physical risk and mental risk are significant among senior travelers in the study conducted by them. Thus, in this study, we would propose to generalize the finding of the study conducted among senior consumers about Physical risk perception among international travelers.

From an overall travel risk perceptive, this study is based on the fact that there is clear differentiation among the tourists' basis their travel motives. Thus, this study accepts six risk dimensions to be significant among the seven risk dimensions identified by Roehl and Fesenmaier and social risk to be not significant. Enlightened by the above theoretical perspectives, this study hypothesized the following:

H1: The six salient dimensions of perceived risk in international leisure travel are Physical, Time, Financial, Psychological, Equipment, Satisfaction.

Types of Tourists

While motivation is only one of many variables in elucidating tourist behavior, it is, nevertheless, a very crucial one. This study is based on the International Tourists Role (ITR) scale as designed by Howard and Havitz, who have classified tourists' basis their travel motives. Motivation constitutes the driving force behind all behaviors (Fodness,

1994). Basic motivation theory suggests a dynamic process of internal psychological factors (needs, wants, and goals), causing an uncomfortable level of tension within individuals' minds and bodies. Consequently, only if tourists become more autonomous and thus aware of intrinsic needs and motives which they are able to self-actualize.

The 20-item ITR scale was initially designed to capture the novelty-related nuances of international pleasure travel as proposed by Cohen (1972). Further Exploratory and confirmatory factor analysis of the scale items was performed, and it was identified that it had three distinct dimensions (Mo, Howard, and Havitz, 1993). The scale identifies three types of a tourists namely social contact-oriented tourists, Destination oriented tourists and Travel service-oriented tourists.

Previously ITR scale along with the Food Activity Preferences scale (FAP) was applied in combination with visual imagery to simulate different cultural food settings and restaurant situations in order to identify various dining preferences when people travel to an unfamiliar country (Chang, 2011).

Tourist Segmentation Basis Tourist Roles

ITR (International Tourists Role) scale is used in this study, which classifies international tourists into three types' Basis travel motives. ITR scale, which was developed by Howard and Havitz (1994) basis Cohen's (1972) tourist role typology, classifies tourists into destination-oriented tourists, social contact-oriented tourists and travel service-oriented tourists.

Cohen (1972) is his study proposed that the degree of uniqueness for tourists is influenced by the environment of the tourist destination (e.g. culture) and other factors (contact with local people or other tourists). The current study raises a proposition that there would be significant difference in the risk perceptions among the two broad classes of tourists classified to be destination oriented (which represents an individual's preferences for novelty and familiarity when choosing international destinations) and social contact-oriented (which measures the individual's preferences to the extent and variety of social contacts with local people when traveling in a foreign country).

H2: International tourists can be definitely classified basis their Destination Orientation and Social Contact Orientation.

Classification of International Tourists and Their Risk Perception

Extracted from Cohen's typology and Howard and Havitz classification of international tourists in the different tourist's role, this study has proposed the prominent existence of two tourists class, destination-oriented tourists and social contact-oriented tourists. This study thus proposes that the difference in travel service orientation among tourists will be insignificant. Destination-oriented tourists are the once who travel particularly to the specific destination, as a result of having a greater length of stay. (Uysal & Williams, 2013). Furthermore, Crandall (1979) has stated that social interaction is an important leisure activity. Social interaction as a motivator for leisure can fulfill several needs of affiliation, safety needs, or even need to escape, which are often not

recognized as being social. This social interaction is a motivation for social contact-oriented tourists impacting their length of stay at a place of the visit.

In a similar vein, past studies on international travel have shown a significant influence of perceived risk in travel decisions. Lepp and Gibson (2003) found that perception of risk associated with international tourism varies depending on the tourist role and tourists' preferences for familiarity or novelty. A study on perceived risk (Jalilvand & Samiei, 2012) has shown that main concerns of travelers included physical risk, financial risk, psychological risk, and time risk. This theoretical perspective forms the base for the hypothesis proposed below.

International Tourists Physical Risk Perception

Physical Risk is understood as some form of risk for the traveler at the place of a visit, which may cause physical harm to him. (Roehl and Fesenmaier, 1992). Physical risks may include health adversity such as the spread of diseases, body injury, and illness due to unhygienic strange food or other related risks.

Study on tourism satisfaction has clearly evidenced the prime role of physical and mental satisfaction together when traveling. (Chuan & Hua, 2014). The hypothesis on perceived physical risk can be proposed as below:

H3: International Tourists perceive the potential threat that might cause physical harm to one's health or appearance as compared to other risk types.

H4: There is a significant difference in perception of potential threats to person's health or appearance between two tourists' segments.

International Tourists Financial Risk Perception

Financial risk refers to the potential net financial loss of a purchase, including the possibility that a service (product) might need to be repaired, replaced or the price refunded (Laroche et al., 2004). In service scenario, the financial risk may represent service that is not as expected for the value paid for the same. A study on perceived risk (Jalilvand & Samiei, 2012) has shown that main concerns of travelers included financial risk, which is concerned with the loss of money in some form.

H5: International Tourists perceive purchase risk coupled with the financial loss of a purchase higher in comparison to other travel risks.

H6: There is a significant difference in perception of risk coupled with the financial loss of a purchase among the two tourist types.

International Tourists Psychological Risk Perception

Roehl and Fesenmaier (1992) defined Psychological Risk as "the possibility that the trip to a particular destination will not reflect an individual's personality or self-image." Among the two-tourist classification. The hypothesis is framed as below:

H7: Psychological distress predicted from post-purchase emotional retorts is highly perceived by international tourists in comparison to the other travel risk types.

H8: There is a significant difference in perception of psychological distress predicted from post-purchase emotional retorts between the two tourist types.

International Tourists Time Risk Perception

Time Risk may include the risk of wasting time in long waiting queue, spending too much time traveling between two attractions/destinations, feeling that the time is not well spent or other related happenings. Research on time risk among senior travelers supports the fact that visitor may feel that there is much time wasted while on vacation (Le Serre & Chevalier, 2012). Basis the above study finding, below propositions, are formulated:

H9: International Tourists perceive the risk of losing or wasting his or her time while on travel higher as compared to other travel risks.

H10: There is a significant difference in perceived the risk of wasting his or her time while on travel amongst the two tourist types.

International Tourists Satisfaction Risk Perception

Satisfaction risk includes the risk of not having an overall pleasing experience or other related factors. Perception of satisfaction is the assessment of the expectation of tourist at the end of his overall tour experience.

In a study on an extension and validation of food-safety risk in international travel destinations (Yeung & Yee, 2013), the perception of satisfaction risk was found to be significant. Based on this, below hypothesis has been formulated:

H11: International Tourists perceive Satisfaction Risk arising from the valuation of the expectation of a visitor at the end of his overall visit experience higher as compared to any other travel risk.

H12: There is a significant difference in perception of risk arising from the valuation of the expectation of a visitor at the end of overall visit experience among the two tourist types.

International Tourists Equipment Risk Perception

Equipment Risk may arise when equipment in use is too old and not in apt condition, not accompanied by trained staff while using equipment, some accident took place due to use of equipment, no appropriate system available to handle the emergency.

Roehl and Fesenmaier (1992) discovered that equipment risk is one of the important aspects of perceived risk in tourism, which was found to be significant in his research. The hypothesis can be framed as:

H13: International Tourists perceive risk due to some accident caused that is associated with the use of certain equipment higher, as compared to other travel risks.

H14: There is a significant difference in perceived risk due to some accident that is associated with the use of certain equipment between the two tourist types.

International Tourists Overall Risk Perception

Major studies on international travel have considerably concluded that people choose to orient themselves to social contact dimension in order to reduce the risk involved in international travel by interacting more and more with locals and spending time with them. Furthermore, from the Destination's perspective, perceived destination quality considerably influenced satisfaction, which in turn significantly influenced behavioral intentions (Rajaratnam et al., 2015).

H15: There is a significant difference in the overall travel risk perception between the two tourist types.

METHODOLOGY

Scale Development and Validation

Risk perception scale was designed based on the seven risk types that are coupled with travel decisions identified by Roehl and Fesenmaier (1992). Scale validity and reliability were measured using content validity index and Interrater reliability.

Sampling and Data Collection

The survey was based on the risk perception of international tourists considering Goa as a tourist destination. The survey was conducted on the year 2016-17 during the start of the tourist season (November, December and January). Therefore, the sampling frame comprised of the international tourists who have just arrived in the state. The questionnaire was administered to the respondents prior to their exploring different attractions/activities. Snowball sampling method was used due to time constraint and predictable response rates.

130 questionnaires were distributed. The data collection was done in the second week of October, and the response rate was 72%.

Data Analysis

SPSS version 21 was used for the purpose of data analysis. Factor Analysis method was used to analyze the type of risks, and the variables loaded into the specific risk criteria. Reverse coding was done for the positive variable thus converting them into the negative risk variables. Mean scores were accordingly calculated to understand the high and low-risk perception by the respondents.

Cluster analysis method was employed for classifying the visitors into clusters. Cluster center values were calculated to measure the best cluster fit and the number

of cases in each cluster. Similarities were identified between two clustering methods through cross-tabulation.

Pearson Chi-Square test was conducted to measure the classification of all the socio-demographic variables in each of the clusters. Descriptive statistics were calculated to identify the highest and lowest risk perceived by the respondents. 'T test' was used in order to identify the differences between each type of the risk perception between the two clusters.

RESULTS AND DISCUSSION

Scale Reliability and Validity

The self-administered scale comprising of seven risk dimensions and twenty-three items was evaluated for inter-rater reliability. Fleiss Kappa (The multi-item, multi-rater reliability) of the scale is 0.34, indicating fair agreement. The Inter-rater reliability basis Fleiss Kappa value revealed the classification of factors in the constructs. This classification was accepted for the further analysis.

Content Validity Index was calculated for the 23 factors. The individual content validity index (I-CVI) for all the items was in the range of 0.70 to 1.00. The scale content validity index for relevance (S-CVI =.81), for clarity (S-CVI =.87) and for simplicity (S-CVI = .87 revealed high content validity. The value for CVI above .78 is acceptable. Thus, the individual variables scoring below .78 on CVI ratings were omitted from the scale.

Thus, the final scale comprised of 21 items was used for data collection and analysis.

Analysis of the Types of Risk

The data comprised of 21 factors. Factor analysis was conducted through principal axis factoring, which is a common factor analysis method. The factors scoring communality value lower than 0.5 are unacceptable and thus those factors scoring less than 0.5 on communality were deleted.

Cronbach's Alpha to Measure Internal Consistency

Table 2 provides the Cronbach's Alpha value for the risk dimensions.

The Financial Risk (0.815) and Equipment Risk (0.844) dimension is seen to depict the relatively high level of internal consistency. Satisfaction Risk (0.728) is seen to depict a high level of internal consistency and Time risk (0.581), Lower level of internal consistency. Total risk (0.650) depicts the low level of internal consistency.

Reliabilities of all the variables are acceptable because they are all above 0.55. Thus, it can be assumed that the average correlation of a set of items is an accurate estimate of the average correlation of all the items.

Factor Analysis of the Types of Risk

Factor analysis was calculated through principal axis factoring, of the 21 factors. The factors scoring communality value lower than 0.5 are unacceptable and thus those factors scoring less than 0.5 on communalities were removed.

Eight factors were extracted, which explained 51.75% variance. After rotation, eight factors cumulative variance was 61.57%.

After the omission of the variables scoring low in the initial factor loading using principal axis factoring, dimension reduction was done. Promax with Kaiser Normalization method was performed. Table 3 shows communality values for the final 10 variables.

Extraction Method: Principal Component Analysis

Table 4 calculates the rotated component matrix of the final 10 variables. As observed in the below table rotated component matrix revealed the risk dimensions for the 10 variables.

Table 2. Cronbach's alpha types of risks

Sr. No.	Risk Dimension	Cronbach's Alpha	Variance Ratio	Internal Consistency
1	Financial Risk	0.815	9.141	Relatively High
2	Equipment Risk	0.844	10.150	Relatively High
3	Satisfaction Risk	0.728	3.512	High
4	Exhaustion Risk	NA	-	-
5	Time Risk	0.581	2.426	Low
6	Psychological Risk	NA	-	-
7	Total Risk	0.650	45.917	Low

Table 3. Communalities

Variables	Initial	Extraction
I think the time will be well spent	1.000	.799
Relaxed and not worried about time and appointments	1.000	.806
I might be overcharged	1.000	.885
I fear pick-pocketing	1.000	.902
I think on the whole I will have a good experience	1.000	.859
Perceive to feel content after visiting the place	1.000	.853
I fear of getting stressed while on vacation	1.000	.969
I fear that the hotel reservation and train tickets may contain a mistake	1.000	.971
I fear equipment may not be of standard quality	1.000	.882
I fear of not getting proper training and guidance for using equipment	1.000	.884

Table 4. Rotated component matrix

Variables		Component					
		1	2	3	4	5	6
1	I fear pick-pocketing	.931					
2	I might be overcharged	.908					
3	I fear equipment may not be of standard quality		.918				
4	I fear of not getting proper training and guidance for using equipment		.916				
5	I think on the whole I will have a good experience			.905			
6	Perceive to feel content after visiting the place			.888			
7	Relaxed and not worried about time and appointments				.880		
8	I think the time will be well spent				.874		
9	I fear of getting stressed while on vacation					.975	
10	I fear that the hotel reservation and train tickets may contain a mistake						.968

Extraction Method: Principal Component Analysis
 Rotation Method: Varimax with Kaiser Normalization

The rotated component matrix (table 4) explained factor loading of the 10 factors that were a part of the final scale. The highest value was .975 (I fear of getting stressed while on vacation) and the lowest being .874 (I think the time will be well spent). The two factors I fear pick-pocketing (.931) and I might be overcharged (.908) loaded together as financial risk components. The factors I fear equipment may not be of standard quality (.918) & I fear of not getting proper training and guidance for using equipment (.916) accounted for equipment risk at the destination. Further, I think on the whole I will have a good experience (.905) & I perceive to feel content after visiting the place (.888) together form satisfaction risk. Further, I am relaxed and not worried about time and appointments (.880) & I think the time will be well spent (.874) together comprise time risk. Finally, the factor I fear of getting stressed while on vacation (.975) and factor I fear that the hotel reservation and train tickets may contain mistake (.968) account for exhaustion and psychological risk respectively.

Pattern matrix revealed factor loading of 14 factors. This plot revealed distinguished risk dimensions and the factors featured in the respective risk dimensions. The results were similar to the 7 types of risk scale referred initially except for physical and social risk. Thus, social risk and physical risk was not significant as per factor correlation and were omitted.

In the process of initial factor loading below 2 variables loaded together:

1. I fear of being challenged physically;
2. I fear of getting stressed while on vacation.

Unfortunately, in the current study, physical stress did not load in the further proceedings (Refer Table 4). Accordingly, the factor (I fear of getting stressed while on vacation) which is loaded independently is retitled as Exhaustion Risk (Exhaustion Risk is defined as a risk characterized by extreme physical or mental tiredness or fatigue).

Including Exhaustion Risk Component, Hypothesis 1 is supported by this finding, which provided six salient risk dimensions.

Thus, the variables and their risk dimensions identified are shown in Table 5.

Six dimensions revealed 88.102% of the variance.

In Table 5, few of the variables were identified to be positive. Since the positive variables cannot be measured as perceived risk, they were converted into negative and further analyzed.

The final descriptive statistics of all the factors after using the recoded variables revealed the mean scores as below (Refer Table 7). As per mean values, the factors ‘I might be overcharged’ (Mean Value: 4.6742) and ‘I fear pick-pocketing’ (Mean Value: 4.4494) (Both pertaining to Financial risk category) are highly perceived by international tourists. This finding support Hypothesis 4 with the fact that International Tourists perceive purchase risk coupled with the financial loss of a purchase.

Further, the factor ‘I fear of getting stressed while on vacation’ (Mean Value: 2.9663) (Pertaining to Exhaustion Risk Category) are seen to be perceived higher later to financial risk.

The variable ‘I fear that the equipment may not be of standard quality’ (Mean Value: 2.7865) and ‘I fear of not getting proper training and guidance for using equipment’ (Mean Value: 2.6292) (both pertaining to Equipment risk) are perceived at a medium level. This supports the fact that International Tourists perceive harm due to some accident caused, which is associated with the use of certain equipment, Hypothesis 8.

The variable ‘I fear that the hotel reservation and train tickets may contain mistakes’ (Mean Value: 2.5730) (Pertaining to Psychological Risk), ‘I am not relaxed and not worried about time and appointments’ (Mean Value: 2.5506) (Pertaining to Time

Table 5. Risk-wise classification of variables

Sr. No.	Variables	Risk Types
1	I fear pick-pocketing	Financial
2	I might be overcharged	
3	I fear of not getting proper training and guidance for using equipment	Equipment
4	I fear equipment may not be of standard quality	
5	Perceive to feel content after visiting the place	Satisfaction
6	I think on the whole I will have a good experience	
7	I fear of getting stressed while on vacation	Exhaustion
8	Relaxed and not worried about time and appointments	Time
9	I think the time will be well spent	
10	I fear that the hotel reservation and train tickets may contain a mistake	Psychological

Risk), and 'I perceive not to feel content after visiting the place' (Mean Value: 2.0674) (Pertaining to Satisfaction risk) are perceived low by the tourists.

Finally, the variable 'I think my time will not be well spent' (Mean Value: 2.0112) (Time Risk) and 'I think on the whole I will not have good experience' (Mean Value: 1.9213) (Pertaining to Satisfaction Risk) are perceived the least.

Analysis of Type of Tourists

Cluster analysis using average linkage between groups was performed and Agglomeration schedule was plotted. It was observed that difference between coefficients for a two-cluster solution is 40 and the difference between coefficients for a three-cluster solution is 13.

As per the observed results, two cluster solution was best fitting the data and hence the types of tourists were changed to two types of tourists from the existing three types of tourists' classification as referred in case of ITR scale (Havitz, & Howard, 1994). Thus, 2-cluster classification was accepted.

K-means cluster analysis was calculated, and cluster centers were identified to understand the classification of two cluster types. This revealed that cluster 1 was seen to be high on Social Contact Dimension, moderate on Travel Service Dimension and low on Destination Orientation. Cluster 2 is seen to be high on Destination Oriented Dimension, moderate on the Travel service dimension and low on Social Contact Dimension.

Hypothesis 2 was supported with the above finding which stated that International tourists can be definitely classified basis their Destination Orientation and Social Contact Orientation. This is because there was no clear distinction between the two clusters on the travel service dimension (Table 6).

Average Linkages Between Groups

The cross-tabulation between the two clustering method results revealed a total misclassification of 13.7% between the two clusters. The low percentage of misclassification corroborates and establishes the robustness of the two-cluster solution.

Risk Perception Based on the Type of Tourists

Mean scores of the type of risk variables were calculated. Refer to Table 7.

Consequently, Financial Risk (Mean Score: 4.5618) is greatly perceived by the international tourists, followed by Exhaustion Risk (Mean Score: 2.9663). The third considerably perceived risk is the Equipment Risk (Mean Score: 2.7079), followed by Psychological Risk (Mean Score: 2.5730), Time Risk (Mean Score: 2.2809). Satisfaction Risk (Mean Score: 1.9944).

Basis the findings shown in Table 8 with the results of the hypothesis tests (Table 9) can be determined. Hypothesis 5 is significant since financial risk is highly perceived by international tourists in comparison with the other travel risks. Since Physical risk is not significant, in particular, it can be concluded that Hypothesis 3 is insignificant.

Table 6. Number of cases in each cluster

Cluster	1	32.000
	2	57.000
Valid		89.000
Missing		1.000

Table 7. Descriptive statistics

	N Statistic	Minimum Statistic	Maximum Statistic	Mean		Std. Deviation Statistic
				Statistic	Std. Error	
Financial Risk	89	1.00	7.00	4.5618	.18443	1.73994
Equipment Risk	89	1.00	6.00	2.7079	.13389	1.26313
Satisfaction Risk	89	1.00	6.50	1.9944	.11257	1.06198
Time Risk	89	1.00	6.00	2.2809	.10718	1.01117
Exhaustion Risk	89	1.00	7.00	2.9663	.16641	1.56996
Psychological Risk	89	1.00	6.00	2.5730	.10706	1.01004
Valid N (listwise)	89					

Table 8. Group statistics

Risk Criteria	Cluster Number of Case	N	t	Sig.	Mean	Std. Deviation	Std. Error Mean
Financial Risk	1	32	-.439	.661	8.9063	2.96604	.52433
	2	57			9.2456	3.75728	.49766
Equipment Risk	1	32	1.742	.085*	6.0313	2.75311	.48669
	2	57			5.0702	2.34414	.31049
Satisfaction Risk	1	32	2.307	.025**	4.7188	2.43939	.43123
	2	57			3.5789	1.82196	.24132
Exhaustion Risk	1	32	-.974	.333	2.7500	1.62640	.28751
	2	57			3.0877	1.53856	.20379
Time Risk	1	32	-2.659	.009**	3.9375	1.13415	.20049
	2	57			4.9123	2.31671	.30686
Psychological Risk	1	32	1.930	.060*	2.8750	1.23784	.21882
	2	57			2.4035	.82071	.10871
TOTALRISK	1	32	.704	.483	29.2188	5.79619	1.02463
	2	57			28.2982	5.98201	.79234

* Risk perception among the two clusters significant at 10% level; ** Risk perception among the two clusters significant at 5% level

Equipment risk is perceived higher by international tourists in comparison to psychological, time and satisfaction risk, thus Hypothesis 13 is significant.

Hypothesis 7 is significant as Psychological risk is perceived by tourists higher than time and satisfaction risk. Similarly, Hypothesis 9 is significant since international tourists perceive time risk over satisfaction risk. Hypothesis 11 is insignificant since satisfaction risk is perceived the least by international tourists.

Results have shown that there is no significant difference between the average scores of Financial Risk, Exhaustion Risk and Total Risk of Cluster 1 and Cluster 2. In case of Satisfaction Risk and Time Risk, the difference between the Risk Perception of Cluster 1 and 2 is 5% significant. Thus, it can be concluded that in case of Psychological Risk & Equipment Risk, the difference between the Risk Perception of Cluster 1 and 2 is significant at 10% level.

DISCUSSION

The discussions are emanating from the data analysis and the conclusions drawn based on the findings.

Cluster analyses of the ITR scale items revealed the existence of two tourist segments. The first cluster was high on social contact dimension and the second on destination orientated dimension. This contrasts with the three-segment solution obtained in previous studies (Howard and Havitz, 1993).

The socio-demographic profile of the tourists did not differ across the two tourist segments. This indicates the validity of segmentation based purely on psychographics.

As a result of the scale development procedure, a ten-item scale was designed to quantify the tourist perceptions of risk related to the destination. The scale had six dimensions representing financial risk, equipment risk, satisfaction risk, time risk, exhaustion risk and psychological risk. This contrasts with the seven-dimension risk propounded by Roehl and Fesenmaier. The study revealed that physical risks and social risks had no significant influence, thus were omitted from the study. However, a new risk dimension named exhaustion risk was identified. Exhaustion risk is defined as a risk characterized by a state of extreme physical or mental tiredness.

Financial Risk is the highest perceived by the international tourists, followed by Exhaustion Risk and Equipment Risk. Satisfaction Risk is least perceived by tourists for international travel to Goa. This implies that international tourists are more worried about the financial loss (financial risk) and followed by getting tired mentally and physically (exhaustion risk).

Among the two type of tourist dimensions identified, it was observed that there is no significant difference between the risk perceptions of financial risk, equipment risk, and time risk. In case of satisfaction risk and exhaustion risk, the difference between the risk perception among the two tourist types was significant at 5% level. In case of psychological risk, the difference between the risk perception of the two tourist dimensions was significant at 10% level.

It can also be concluded that the international tourists perceive to have an overall pleasing and satisfactory experience at the end of their trip.

Table 9. Hypotheses summary table

Sr. No.	Hypothesis	Supported/ Not-Supported
H1	The six salient dimensions of perceived risk in international leisure travel are Physical, Time, Financial, Psychological, Equipment, Satisfaction.	Supported
H2	International tourists can be definitely classified basis their Destination Orientation and Social Contact Orientation.	Supported
H3	International Tourists perceive the potential threat that might cause physical harm to one's health or appearance as compared to other risk types	Not-Supported
H4	There is a significant difference in perception of potential threats to person's health or appearance between two tourists' segments	Supported
H5	International Tourists perceive purchase risk coupled with the financial loss of a purchase higher in comparison to other travel risks.	Supported
H6	There is a significant difference in perception of risk coupled with the financial loss of a purchase among the two tourist types	Not-Supported
H7	Psychological distress predicted from post-purchase emotional retorts is highly perceived by international tourists in comparison to the other travel risk types	Supported
H8	There is a significant difference in perception of psychological distress predicted from post-purchase emotional retorts between the two tourist types	Supported
H9	International Tourists perceive the risk of losing or wasting his or her time while on travel higher as compared to other travel risks	Supported
H10	There is a significant difference in perceived the risk of wasting his or her time while on travel amongst the two tourist types	Not-Supported
H11	International Tourists perceive Satisfaction Risk arising from the valuation of the expectation of a visitor at the end of his overall visit experience higher as compared to any other travel risk	Not-Supported
H12	There is a significant difference in perception of risk arising from the valuation of the expectation of a visitor at the end of overall visit experience among the two tourist types	Not-Supported
H13	International Tourists perceive risk due to some accident caused that is associated with the use of certain equipment higher, as compared to other travel risks	Supported
H14	There is a significant difference in perceived risk due to some accident that is associated with the use of certain equipment between the two tourist types	Not-Supported
H15	There is a significant difference in the overall travel risk perception between the two tourist types	Not-Supported

CONTRIBUTIONS AND IMPLICATIONS

The results of the study have both academic and practical implications. For the existing body of knowledge, this study further provides support to the existing proposition that risks have a strong influence on the travel decisions, particularly for the international tourists. This may be mainly because of the travel choices to terrains that are quite unknown to the travelers and that future studies should adopt a multivariate approach to increase their ability to both explain and predict. One of the delimitations of this study as with many of the other studies that have addressed tourism risk basis a limited size of the sample. Further, the socio-demographic profile of the tourists did not

differ across the two tourist segments and the validity of segmentation based purely on psychographics.

Basis the summary of the current study, the study can be imitated to different destination types amongst travelers in diverse locations. From the actual point of view, this classification of the factors is expected to provide an improved understanding of destination image in terms of risk and safety.

One avenue for future research would be to repeat this study with people at different stages in the life-stage and from different nationalities. This may aid destination managers and marketers in planning the travel options better among different tourist types. In addition to this, in future, the study could be repeated during the peak season, to ascertain if seasonal component changes to risk and safety perceptions. Additionally, work is called to determine the level of awareness of current risk and safety initiatives and its impact in altering visitors' perceptions of safety and security. Another study could be carried out to further in details assess 'exhaustion risk perception' on visitor decision making and behavior, for this, is a new form of risk that is identified as a part of this study. Differences in crime-safety perceptions in other sectors of the tourism industry (i.e. accommodation, transportation, etc.) could also be examined to build a more comprehensive picture of the differences among these sectors as perceived by tourists of different nationalities.

In summary, tourism planners and managers should be aware of the types of risks that might cause stress among tourists, an awareness that should also inform marketing strategies. This is of particular importance in the developing world where tourism is being promoted as an important market sector (Burns 1999).

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International supply chains: compliance and engagement with the Modern Slavery Act

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Abstract: The UK Modern Slavery Act aims to reduce and eradicate various forms of exploitation and is in this respect in line with the Sustainability Development Goal (SDG) 8.7. Section 54 of the act focusses on modern slavery in the international supply chain of organisations and obligates organisations to report on the actions they have taken to identify and address exploitation vulnerabilities. In order to understand how effective the current provisions in the act are, we analyse how businesses in the fashion and textile industry engage with the reporting requirements of Section 54. While we find increasing compliance with the act, a significant share of fashion and textile businesses have not reported on their actions or have only filed a statement once.

Keywords: Fashion, modern slavery, Section 54, SDG 8.7, supply chains.

INTRODUCTION

The UN Sustainable Development Goals (SDGs) were established in 2015 with the objective of addressing key development challenges by 2030 that have not been adequately addressed through the UN's Millennium Development Goals (MDGs) (Sachs 2012, UN 2015). The seventeen SDGs expand significantly upon the eight MDGs and range from eliminating poverty and hunger, to providing affordable and sustainable infrastructures, and greater equity in the workplace (UN 2000a, 2015). They are broadly enough defined to encompass global operations of businesses, including their own operations and those of their supply chains (Kolk *et al.* 2017).

The potential reach of the SDGs across the global business operations of one company and its supply network is well illustrated by Goal 8. This Goal aims to achieve 'decent work for all', including the call for action in SDG 8.7 to take 'immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child

labour' (UN 2015). The explicit mentioning of modern slavery is new to the SDGs and therefore requires some clarification.

No commonly agreed upon definition of modern slavery exists and the term is not defined in any international instrument. The term modern slavery, however, increasingly circulates in policy, legislative, and civil society arenas and is used as an umbrella term to capture different forms of exploitation. These forms of exploitation include, but are not limited to, various forms of labour exploitation, such as forced labour. But they can also include human trafficking, forced marriage, and the removal of organs. In line with this broad approach is the modern slavery definition proposed by Kara (2017: 8), who argues that it is a 'system of dishonoring and degrading people through violent coercion of their labor activity in conditions that dehumanize them' and that this occurs 'regardless of compensation, ... because of the absence of a reasonable alternative' (Kara 2012: 31). Despite the lack of a common definition and thus agreed approach on how to collect data on modern slavery, the Walk Free Foundation (2018) has tried to estimate the extent of modern slavery and stated that in 2017 approximately 40 million people were in modern slavery, of whom 25 million people were in forced labour.

Exploitative labour conditions are, according to the US Department of Labor (2016), particularly prevalent in the fashion and textile supply chain. The department lists workers in the cotton and cottonseeds, silk cocoons, textiles and embellished textiles, footwear, and garments sectors as being particularly vulnerable. The risks of modern slavery and labour exploitation in the fashion and textile sectors arise from the fragmented nature of their supply chains. The global supply chain is organised across multiple tiers of contract manufacturers and has a wide geographic spread, both across and within nations (Tokatli 2008). Brand owners tend to work closely with their domestic and global suppliers, with whom they have a contractual relationship. These suppliers are typically their first-tier suppliers. Suppliers beyond the first tier are often not known to brands and exist outside their immediate scope of influence. The opaque structure of the supply chain enables suppliers to outsource production to other businesses without an awareness of the ultimate source of their product and without assuming responsibility for due diligence along the entirety of the supply network. These characteristics of the fashion supply chain make monitoring for human rights abuses challenging (Gold *et al.* 2015, White *et al.* 2017) and contribute to the complex cultural, political, and business conditions that enable or facilitate the exploitation of individuals (Crane 2013).

Considering these complexities, achieving SDG 8.7 and reducing vulnerabilities require the concerted joint efforts of governments, businesses, and civil societies. One such effort is the UK Modern Slavery Act 2015. It provides a legislative framework for various forms of exploitation and explicitly obligates businesses to report annually on

the efforts they have undertaken to identify, prevent, and address modern slavery in their supply chain (Section 54 of the act). These annual statements are the foundation for our research. Understanding how fashion and textile businesses engage and align with the reporting requirements in both letter and spirit provides some insights into the effectiveness of Section 54 of the act and how it could be developed further.

CONTEXTUALISING THE MODERN SLAVERY ACT

As previously explained, the term ‘modern slavery’ has been very broadly defined and this is also true within the act, covering forms of exploitation that are imminently relevant for global supply chains (e.g., forced labour, human trafficking, debt-bondage, bonded labour, and slavery (Kara 2017)) The bases for these terms are the ILO *Forced Labour Convention* (1930), the UN *Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery* (1956), and the ‘Palermo Protocol’ (UN 2000b). These conventions are global in force and jointly establish that any form of slavery be abolished and condemned. Yet, practices of slave-like exploitation persist, which has led to the specification of SDG 8.7 and the recent development of national legislation in various different countries (Dodds *et al.* 2017).

The California Transparency in Supply Chain Act (CTSCA) was the first domestic legislation requiring businesses to publish how they engage with modern slavery in their supply chain. The reporting requirements in the CTSCA are limited, however, and do not require businesses to regularly update the public on their efforts to address modern slavery. The transparency achieved is thus limited (Greer & Purvis 2016, Koekkoek *et al.* 2017). The United Kingdom’s Modern Slavery Act (MSA) addresses the transparency shortcoming by requiring businesses with an annual global turnover of £36 million or more and operations in the United Kingdom to release a statement on how they are trying to identify, prevent, and address modern slavery within their supply chain (Gadd & Broad 2018).

Section 54 of the Modern Slavery Act requires companies to report how they are engaged in eradicating modern slavery from activities that pertain to their business operations. It further specifies that every company that ‘carries on a business or part of a business in the UK’ (Home Office 2017: 5) must produce such a statement and publish a copy on the homepage, or a similarly prominent position on its website, that has been signed off by a director or the closest equivalent. This statement has to cover the core business operations and its supply chain. The supply chain of a business is for this purpose defined as ‘its everyday meaning’ (Home Office 2017: 5). The business coverage and the inclusion of the global supply chain give the act an international reach to wherever businesses are sourcing from.

Through this level of transparency and the possibility of public scrutiny of business conduct, the UK government has aimed to undermine the ‘governance gap’ of Western multinational enterprises and to ‘create a race to the top’ (Home Office 2017: 5) of appropriate business conduct and standards, as each business strives to become the most transparent, open, and forthright. This notion of transparency legislation surrounding modern slavery in supply chains rests on the argument that non-compliance may lead to increased scrutiny from the media and other civil society organisations. Public scrutiny and the finding of being non-compliant in letter or spirit and thus being labelled as a laggard in the move to address modern slavery can be severely damaging to the business’s reputation and lead to revenue loss (Koekkoek *et al.* 2017). There is, however, much concern as to whether this happens in reality, and at a broader level whether corporate accountability legislative tools (such as Section 54) manage to meaningfully improve labour standards in business operations rather than acting to protect industry’s commercial interests (LeBaron & Ruhmkorf 2017).

METHODS

Sample and data collection procedure

Our research explores how fashion and textiles companies with an annual turnover over £36 million (US\$47.5 million) and operations in the United Kingdom respond to Section 54 of the act. We investigate their compliance with the legal reporting requirements by analysing their annual modern slavery statement and how they engage with the spirit of Section 54.

We assembled our sample of international fashion and textiles companies by, first, identifying companies on the Modern Slavery Registry (modernslaveryregistry.org) that were categorised as ‘consumer durables & apparel’, ‘retailing’, or ‘food & staples retailing’ businesses. The registry is an independent, non-governmental organisation (NGO) run open-access resource that is the de facto central depository to which businesses voluntarily submit their modern slavery statements (Business and Human Rights Resource Centre (BHRRC) 2017). Second, we used Fashion United’s Top 100 fashion companies (fashionunited.com) and the FAME database compiled by Bureau van Dijk to identify businesses that operate in the United Kingdom and have a global turnover above the threshold of £36 million but which have not submitted their modern slavery statement to the registry. This led to an initial list of 365 companies. We removed companies that are in administration or liquidated, not involved in our focal industry (for example, textile production for the health or aerospace sectors), could not be clearly identified, or do not have a website. The act specified that, if a company has no

website, it must provide a copy of the statement to anyone who requests it in writing. This left us with a sample of 332 businesses. We used the URLs provided within the registry and searched the company's website to locate and download the modern slavery statements for the years 2016 to 2018. When we searched the homepage of businesses, our starting point was the customer-facing homepage to determine whether or not the business is publishing a statement on its homepage rather than corporate or investor-facing websites. This choice has been made on the basis that Section 54 relies on the wider public to scrutinise company behaviour. The statements should therefore be available on websites that are frequently visited by the wider public, not by special interest groups.

Businesses operate different financial years, but the modern slavery statement is typically aligned with the financial year. The businesses in our sample have provided statements that cover a calendar year or a twelve-month period until April or June. In order to obtain comparable data, we collected statements that stretched over two years to the preceding year.

We analysed the extent to which companies comply with Section 54, by determining whether a company has a statement, where it publishes the statement on the website, and whether it is signed by a board member or not. This was followed by an analysis of how businesses report their activities around identifying and reducing modern slavery in their supply chains. Using the UK government guidance on how to interpret and work with the MSA, we report on the content of modern slavery statements. The content analysis provides further indications of the effectiveness of the Section 54 within the MSA.

KEY FINDINGS

We present first the findings from our compliance analysis of the modern slavery statements with the MSA, followed by a content analysis of the statements.

Compliance with legal reporting requirements

Section 54 of the Modern Slavery Act requires businesses to: (1) publish a modern slavery statement; (2) make it visible on the website; and (3) have a board member sign it. The business reporting on modern slavery has increased considerably over the last three years (see Table 1). While only 19 per cent of our sample had a statement in the first year of reporting, this share increased to nearly 40 per cent for 2017 and 2018. It should be noted that the number for 2018 is, however, an under-representation of the modern slavery reporting because companies often retrospectively report on their

Table 1. Fashion and textile business compliance with Section 54 of the Modern Slavery Act ($N = 332$).

	2016	2017	2018
Business provides statement	63 (19%)	117 (35%)	118 (36%)
located on the homepage	42 (67%)	80 (68%)	81 (69%)
signed	59 (97%)	100 (94%)	95 (87%)
located on the homepage and signed	39 (64%)	72 (62%)	70 (60%)

Source: authors.

actions and achievements—consequently some companies may not have finalised their statement for 2018 at the time our analysis was completed. Plus there is the issue of possible time delays between their actions and reporting. Available modern slavery statements indicate that businesses often publish their statement more than half a year after the financial year has finished. The data reported here are therefore indicative of a further increase in modern slavery reporting.

In our analysis period of 2016–18, about two thirds of the fashion and textile businesses in our sample linked their statement on their homepage. Companies that do not provide a link have filed their statements under terminologies that are indicative of the content but do not mention modern slavery directly; such as an ethical statement or human rights report. This positioning of the modern slavery statement relates it to the broader corporate social responsibility of the company and suggests that the activities towards modern slavery are intertwined with other activities within a corporate social responsibility portfolio. Other firms have filed the modern slavery statement under terminologies that make it difficult to locate their statement (such as ‘certificates’, ‘legal terms’, ‘legal & cookies’, or ‘legal area, compliance, corporate policies and policy documents’, ‘statements and media statements’, ‘governance’, ‘about us’, ‘other company information’, ‘help’). The reasons for filing the modern slavery statements under labels that make them difficult to locate are not clear and not discernible from the available data. A possible explanation is that businesses are concerned about the reputational risk when they prominently refer to modern slavery on their homepage. A cursory reader may misinterpret and misconstrue any visible reference to modern slavery. The possible negative influence of making the modern slavery statement easily available is contrasted to many large, consumer-facing businesses in the public eye that transparently present their modern slavery statements. Businesses that have not published their statement on the homepage typically include suppliers and smaller businesses.

Our data suggest that the share of businesses fully complying with the act (producing, signing, locating statement on homepage) has remained stable within our sample over the years. While the release of modern slavery statements has increased, the share of firms that do not visibly publicise their statements has hardly changed.

Despite the increasing compliance with the requirement to publish a statement in absolute terms, the analysis of the modern slavery statements has brought to light that businesses do not update their statements annually, update them with significant delay to their financial year, and do not clearly indicate the year of publication or time period covered. These constraints limit the transparency and undermine public assessment of corporate conduct.

Content analysis of modern slavery statements

Beyond the compliance measure specified in Section 54, the act outlines six further points that companies are advised ('may') to cover in their statements (Modern Slavery Act 2015):

- (a) the organisation's structure, its business and its supply chains (business structure);
- (b) its policies in relation to slavery and human trafficking (modern slavery policies);
- (c) its due diligence processes in relation to slavery and human trafficking in its business and supply chains (due diligence process);
- (d) the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk (risk assessment);
- (e) its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate (key performance indicators);
- (f) the training about slavery and human trafficking available to its staff (training).

Corporate approaches to these statements range from minimal disclosure, through to proactive discussion regarding procedures, and practices in place, together with acknowledging risks identified within the business operations.

Motivation for publishing a modern slavery statement

Our analysis shows that the majority of businesses commonly provide two reasons why they produce a modern slavery statement. The most often given reason is it being part of the company's values to trade ethically; the second most frequent reason is the fact that it is a legal duty. Companies that give further justification include Asda, ASOS, Kering, Pentland, H&M, and Tesco. Swedish global mid-market brand H&M is unusual in drawing attention to the relative responsibility that it carries to act on issues such as modern slavery, due to its size and influence in the industry. In contrast, German luxury brand Hugo Boss gives only one reason for creating a statement, which is that it is a legal duty.

The language and explanation regarding motivation suggest that few companies appear to have considered who the audience of their statements may be, beyond the parties they collaborate with. It is noteworthy that only Camira, FatFace, John Lewis, Kering, Marks & Spencer, Primark, Sainsburys, Ted Baker, and Tesco indicate the possible beneficiaries, which are, primarily, customers, in the sense that these companies ‘know that [their] customers share [their] concern’ (Marks & Spencer 2017), and ‘want [their] customers to be confident’ (Camira 2015) that the products they buy are produced ethically.

Business structure

Brands often provide some information about their business and the structure of their supply chains, although the level of detail varies considerably. For example, American brand Urban Outfitters produces a very limited overview of its business, focussing primarily on its organisational structure in the sense of which parts of the company are covered by their modern slavery statement. Similarly, US luxury brand Michael Kors, German luxury brand Hugo Boss, and French luxury brand Louis Vuitton similarly give limited information about their suppliers. UK luxury brand Burberry acknowledges that it has different supply chains for resale products and services contracted to facilitate its business operations, but again the information given about each type of supply chain is minimal.

ASOS, on the other hand, produces a detailed example of a supply-chain map, and differentiates between supply chains for goods that are, and those that are not, for resale. The latter of these also includes also all contracted services. M&S does not produce a detailed supply-chain map in its modern slavery statement, but instead redirects readers to an interactive website that shows the supply-chain map, and to which content appears to be added as M&S further maps the supply chain for their wide range of products. New Look offers a graphic representation of its model supply chain. These examples stand out as instances of going beyond the brief overviews provided by the majority of the sample.

In contrast, Michael Kors limits itself to a brief paragraph on the structure of the supply chain, and Hugo Boss gives it a sentence. Louis Vuitton similarly gives limited information about its suppliers. Burberry acknowledges that it has different supply chains for resale products and services contracted to facilitate its business operations, but again the information given about each supply chain is minimal.

Modern slavery policies

Our analysis shows that all companies in our sample often refer to a code of conduct and/or an anti-slavery policy that their suppliers should adhere to. Companies such as ASOS, Debenhams, H&M, John Lewis, Kustom Kit, M&S, Mothercare, New Look,

Next, Pentland, Primark, Sainsburys, Shop Direct, Ted Baker, and Tesco regulate eight or more aspects of work. Surprisingly, two smaller organisations, Dr Martens and Michael Kors, also provide higher levels of detail regarding their supplier codes of conduct. Sports Direct's description is extremely minimal. Other minimalists include B&M, FatFace, Hugo Boss, Louis Vuitton, and Superdry, with Louis Vuitton noting that its code of conduct is 'available upon request' (Louis Vuitton 2017).

Analysis against our thematic framework, derived from a range of MSA statement advice documents and policies, demonstrates that companies based their code of conduct on at least one source of information beyond the statutory guidance. Primary sources of information include the ETI Base Code (2017), the UN Global Compact, and ILO guidance. A select few, including Burberry, Kering, Mizuno, Net a Porter, Primark, and Sainsbury, indicate consulting three or more sources.

Due diligence processes

Only H&M and ASOS indicate specific incentives for suppliers to comply with their code of conduct, but even these make only cursory reference to rewarding 'good business partner performance' (H&M 2016). Perhaps many of these companies consider their custom sufficient incentive for suppliers to consider complying, despite the reported difficulty of having sufficient leverage over suppliers to actually create change.

Few companies provide much detail regarding how they work with their suppliers. Whilst many note that they have worked with certain suppliers for a long time, and/or that they have a good-quality relationship with these suppliers, only Pentland focusses on when it, in general, pays its suppliers whilst M&S and Tesco state that they specifically invite supplier feedback.

One topic highlighted in previous assessments of modern slavery statements is the lack of information on companies' risk assessment strategies (CORE 2017, ERGON Associates 2016, Sancroft & Tussell 2018). This result is also replicated in our study of the fashion and textile sector. Whilst the majority of statements make reference to risk assessments, little in-depth information is given about the methods of risk assessment and the external sources and reports consulted. That said, some companies do go above and beyond in their description of the assessment process: H&M, John Lewis, Marks & Spencer, Pentland, Primark, Sainsburys, and Tesco are especially thorough compared to other companies.

The majority of companies in the data set are quite detailed in their description of the auditing process, noting, at the very least, who carries out the audits, which suppliers are audited, and the auditing approach. Further items that are covered by some businesses include the number of audits performed, and whether these audits were announced, semi-announced, or unannounced. A noteworthy exception here is

Sports Direct, which does not refer at all to auditing suppliers to ensure no slavery is taking place.

Remediation

All companies make at least some reference to remediation, even if in a very generic sense. Especially detailed reports are made by John Lewis, Marks & Spencer, Next, Primark, Sainsburys, and Tesco, whilst both H&M and Hugo Boss could be considered mid-level. The main steps taken by companies in this data set include working with suppliers to remediate the risks and issues found during audits, with recourse to simply terminating contracts if the supplier is unable or unwilling to make the necessary changes. This also includes training suppliers. Information on the training methods and frequencies tends to be limited. The topics on which suppliers are trained include recognising modern slavery, implementing the supplier code of conduct, and, more specifically, training on the needs of migrant workers, on recruitment, on child labour, and on health and safety. Debenhams, John Lewis, M&S, New Look, Primark, Sainsburys, and Tesco are particularly detailed in their description of supplier training. A small proportion of companies also indicate that they do work around raising awareness and ‘embedding respect for human and labour rights’, although few companies point out their methods for raising awareness.

The companies that provide the most detail about the steps they take to remediate modern slavery are also the companies that collaborate with a greater number of other companies, civil society organisations, governmental agencies, and other stakeholders to achieve leverage and create lasting change. Those citing high levels of external collaboration include Asda, ASOS, and H&M. Those highly active companies also tend to be the ones explaining why they take their remediating steps, and why they collaborate (generally, to enhance their leverage and impact). It appears that there is at least some link between formulating the reasons for doing remediation work and being relatively detailed in describing this work.

Key performance indicators

Our analysis shows that there was little transparency regarding review processes amongst our sample. Furthermore, there was very limited identification of progress indicators, with a few exceptions, for companies to track the effectiveness of their remediation work.

M&S, Mothercare, Primark, Ruia, Sainsburys, Shopdirect, and Tesco either actively sought out external advice on improving their remediation work, or were commended for the work that they were already doing. Other companies, when describing their process for achieving and measuring progress, simply refer to key performance indicators (KPIs) general review processes, and make high-level

references to progressing over the coming year. Companies that provide actual data, include John Lewis, M&S, Sainsburys, and Tesco. Although transparency regarding actual performance may be limited, many other brands do map the steps they have taken towards commitments and risks, thereby demonstrating progress.

Training

Most companies give some detail about staff training. Marks & Spencer, Morrisons, Mothercare, New Look, Pentland, Primark, Ruia, Sainsburys, and Superdry offer relatively detailed reports, for example. Almost no companies, with the exception of Marks & Spencer, New Look, and Morrisons, provide relevant detail about the methods and frequencies of staff training. The topics covered in training are ‘identifying and responding to modern slavery’, and the various policies and codes of conduct the company may have. ASOS, John Lewis, and M&S specifically note that they train their buyers in responsible purchasing, and most other brands note that they specifically target the buying teams in their staff training.

Governance and challenges

ASOS, Burberry, John Lewis, N Brown, Primark, Superdry, and Tesco point out that they have employees working on sustainability and corporate responsibility issues in sourcing countries, or generally overseas. Others, such as M&S, actually provide a schematic governance structure, but little narrative information.

Finally, there is limited acknowledgment of the challenges these companies face in tackling modern slavery issues. Those that do acknowledge limitations are Arcadia, ASOS, B&M, H&M, IC Group, Kering, M&S, N Brown, Next, and Pentland; the most often mentioned challenge is that of balancing the need to trade ethically with other commercial pressures, with the challenge of resourcing the tracing of the supply chain (primarily in terms of time) the second most cited reason. The latter concern is brought up by H&M and M&S, which both have relatively extensive experience in mapping supply chains. There are other concerns around the fear of unintended consequences and the difficulty in identifying modern slavery and having real, lasting impact. In other words, those that indicate that they go to great lengths to identify slavery in their supply chains and remediate it, are those most willing to admit that their task is a very difficult one.

DISCUSSION AND CONCLUSION

The analyses of the first tranche of modern slavery statements (2016–18) within the fashion and textile sector indicate that companies have increased their modern slavery reporting and that the content of those statements varies significantly in topics

addressed and depth provided. The MSA is a relatively recent act and the analysis suggests that it has limitations in its implementation and lacks meaningful enforcement. Over time, businesses and policy makers come to understand how best to interpret the objectives of the act and to operationalise these. To this end, the Home Office (2017) has updated the statutory guidance with stronger and clearer language. Businesses for their part are advancing their reporting, which is often becoming more detailed. But whilst large, consumer-facing businesses have relatively detailed reports, even these firms could be more detailed in how they engage with their global supply chain in an effective manner to support suppliers in complying with their often very detailed codes of practice. Our findings suggest that Section 54 of the MSA is currently not as effective as intended. Section 54 has required businesses to be more transparent with their approaches towards modern slavery within their global supply chains. But the lack of enforceable reporting standards on modern slavery engagement coupled with the absence of any meaningful penalties mean that the modern slavery statements vary significantly in quality and depth. Consequently, a large number of businesses have not yet engaged visibly with the act by releasing a statement. These initial observations (part of a larger research project) reinforce the recent calls by parliamentarians, civic society groups, and businesses themselves, for Section 54 to be strengthened to provide a level playing field for those businesses actively engaging in, and reporting on, the reduction of risk of labour exploitation in their supply chains. Such action requires much greater scrutiny, sanction, and enforcement against those companies neglecting their responsibilities in this space and reassurance to those firms which do report honestly (with the potential negative perceptions that identifying and sharing information about the exploitation found within one's own supply chain may bring).

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