

FORTUNE

Why Can't Gen Z—the World's Most Eco-Conscious Generation—Quit Fast Fashion?

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Gen Z, or people born between 1997 and 2009, are often referred to as the eco-conscious generation. Climate change and protecting the environment rank at the top of their concerns, according to a recent survey by Deloitte, and those matters—supposedly—shape what how they shop. **In the U.S., 75% say a brand's sustainability is important when making a purchase, and 62% prefer to buy from sustainable brands, according to research from consumer analytics firm First Insight and the University of Pennsylvania's Wharton School.**

Yet Gen Z customers represent the core demographic buying clothing from Shein, the China-based ultra-fast fashion retailer known for pumping out inexpensive, trendy items at a faster clip—roughly 6,000 new designs per day—than even fast fashion stalwarts like H&M and Zara. Shein's popularity among young consumers, particularly Gen Z women, helped lift its valuation to an estimated \$100 billion in April, making it the world's third-most valuable private company and worth more than Zara and H&M combined.

Shein is notorious for its opaque business practices. It has been criticized for having an outsized environmental footprint and stealing looks from independent designers, global fashion labels, and rivals like Zara. As a private company, little is known about Shein's actual carbon footprint and supply chain. A Shein spokesperson told Fortune that the company "respects... the intellectual property rights of others." Shein is "committed to lowering emissions and reducing waste at every stage" of its supply chain, it said in its 2021 sustainability report. But the fashion industry is one of the world's biggest industrial polluters, accounting for 8-10% of greenhouse gas emissions from human

activity, according to various estimates. Shein's brand of ultra-fast fashion is particularly egregious, critics say. It runs on a business model of manufacturing cheap clothes made of polluting, synthetic fabrics that are easily discarded when the next trend hits.

Yet Shein has zeroed in on a formula that can tempt even the most eco-conscious consumer. Its super-low prices—its newest summer dresses are priced as low as \$8, or \$3 on sale—promise shoppers the thrill of a quick bargain compared to the slow toil of saving the planet, says Alison Malmsten, marketing director at China-based consumer consultancy Daxue Research, told Fortune. “There’s nothing stronger than that... [immediate] hit people get when they score an [inexpensive] dress. It’s much more satisfying than the things we need to do and the choices we have to make in order to become more sustainable,” Elizabeth Shobert, vice president of marketing and digital strategy at STYLESAGE, told the Daily Beast.

Shein has paired that rush with social buzz and sales tactics that essentially gamify shopping. The daily release of thousands of cheap, new styles encourages young consumers to refresh their wardrobes regularly and fills fans’ social feeds with video after video of influencers (some paid, some not) unveiling new Shein items. The clips, known as #sheinhauls, have notched over 5 billion views on short-video platform TikTok alone.

“The social effects are real... and people only have so much power to avoid these forces,” Alixandra Barasch, an associate professor of marketing at NYU, told the Daily Beast. Young consumers—many of whom don’t yet have steady income—are reeled in by Shein’s low prices and the social pressure to keep up with trends, Malmsten says. Individuals can believe in and advocate for sustainability, but, at the same time, fall victim to moments of “impulse and indulgence,” says Kate Nightingale, founder and head consumer psychologist at Humanising Brands. The same customer that buys from Shein might also choose to “cycle to work, use eco-friendly beauty products and plant their own herbs,” illustrating the complexities behind consumer behavior, Nightingale says.

Asking consumers to “match their intention with action” by purchasing more sustainable but higher-priced items isn’t working, Kenneth Pucker, former COO of outdoor brand Timberland and a senior lecturer at Tufts University’s Fletcher School of International Affairs, wrote for the Harvard Business Review. Meanwhile, it’s wishful thinking that investors, “with their short-time horizons and index-based performance goals, will pressure companies to respect planetary boundaries,” Pucker said.