Impact of Supply Chain Transparency on the Purchase Intention of Apparel Customers in Colombo District

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Abstract

Unethical practices within the apparel industry's supply chains have prompted customers to critically evaluate their purchasing behaviours. While numerous studies have highlighted the importance of supply chain transparency in addressing the ethical issues within the apparel industry and its role in building trust between companies and customers, only a few researchers have focused on how customers perceive transparency and how it impacts their behaviour. The research gap identified in this study therefore revolves around the limited exploration of the effects of perceived supply chain transparency on customers.

Both primary and secondary data were used for this explanatory, cross sectional study. Primary data were collected by distributing an online questionnaire among 270 respondents using snowball sampling method. The collected data were then analysed by using statistical analysis tool SPSS. Secondary data was gathered by referring to previous research articles which have been published in similar fields of study.

The results of the analysis indicated that the independent variable (supply chain transparency) is reliable and has a strong and significant relationship with customer purchase intention. However, researcher has recommended to conduct future research on this topic by taking more independent variables into consideration.

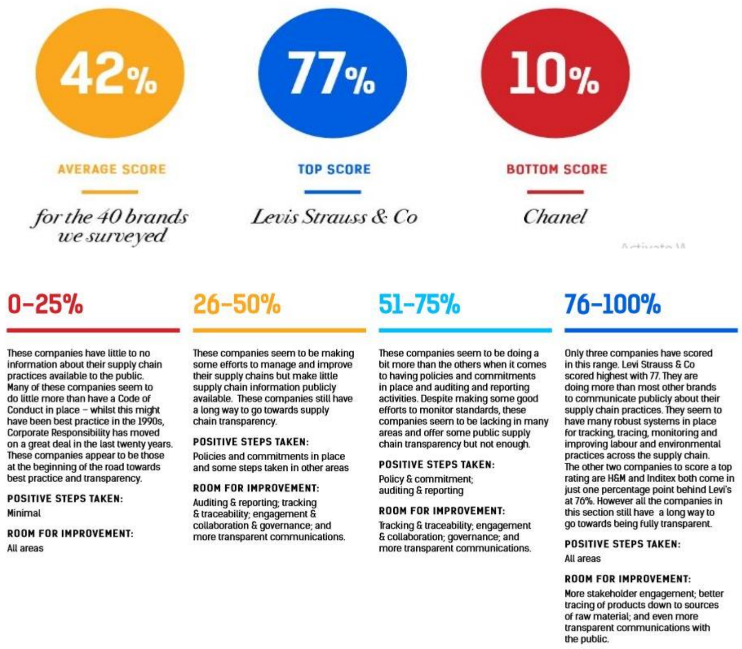
Keywords: *Degree of assessment, Degree of disclosure, Purchase intention, Supply chain transparency.*

1. Introduction

1.1 Background of the Research

The clothing and textile industry has become a subject to arguments worldwide because of the unethical conditions of the production facilities and supply chain practices (Khan et al, 2016). James and Montgomery (2017) have claimed that apparel industry is highly globalized and often have complex labour-intensive supply chains, and therefore it is associated with many ethical issues related to social practices. Apparel companies sometimes work with thousands of factories at the same time, and many do not even know where all of the different components of their garments are made (Fashion Revolution, 2017). The supply chain arrangement of the apparel sector is further complex when accounting for the additional thousands of sub suppliers and sources of raw materials. This presents an explanation for why many apparel companies do not have control of their supply chain, and sometimes not being aware of the poor social conditions in some factories (Jonsson & Ygge, 2018).

Figure 1: Degree of Disclosure and Degree of Assessment



As customers are getting more aware of unethical business behaviour, they are more inclined to analyse the adverse supply chain practices and reflect on their consumption behaviour and are starting to change accordingly (Harrison et al, 2005). Therefore, many researchers in the last decade have acknowledged the general importance of transparency in building relationships between customers and companies, especially when communicating its social responsibility related achievements (Reynolds & Yuthas, 2008).

1.2 Problem Statement

According to Hein (2002), the lack of openness with stakeholders has increased scepticism while decreasing trust and confidence that organizations operate within the constraints of social, ethical, and environmental standards. In addition, both external and internal stakeholders are becoming even more empowered by advancements in communication technology, thereby making everyone "always-on, always connected" and creating transparency as a routine expectation (Bennis et al, 2008; Tapscott and Ticoll, 2003). However, despite all these significances of supply chain transparency, only a few researchers have been studying the effect of perceived supply chain transparency on customers (Kang & Hustvedt, 2014).

Research Objective

To study the impact of supply chain transparency on customer purchase intention.

Research Question

What is the impact of supply chain transparency on customer purchase intention?

2. Literature Review

2.1 Purchase Intention of Apparel Customers

Purchase intention have been defined as the personal inclinations of an individual towards a particular brand by Bagozzi et al. (1979) and Ostrom (1969). Although sounds similar there is a difference between intention and attitudes. Attitudes can be simply termed as summary assessments whereas intention indicate an individual's motivation in the sense of that individual's willingness to perform a certain behaviour (Eagly and Chaiken, 1993). According to Spears and Singh (2004) purchase intention are concisely termed as an individual's intentional plan to make an attempt to buy a specific brand.

The dynamics of the present-day shoppers are driven by a feeling of good commitment towards society and the environment (Shaw et al, 2006). The new sustainable and ethical customer therefore differs from others as they are considerably more motivated to purchase from companies that promote fair working conditions in order to decrease the risk of having an indirect negative impact on society (Lundblad & Davies, 2016). Dickson (2001) similarly found that customers purchasing decisions are increasingly affected by ethical concerns such as the risk of negative social impacts. In this regard, apparel companies that are involved in sustainability and CSR can offer an ethical choice for these conscious customers, yet still meet the consumption demand of customers and their need for identity construction (McNeill & Moore, 2015).

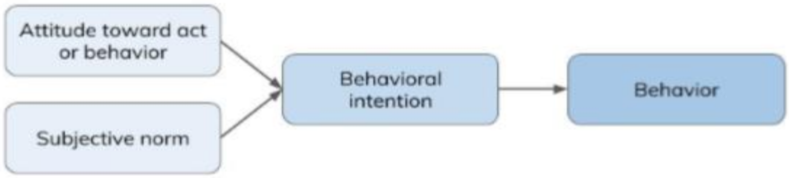
In research it is sometimes somewhat difficult to study the actual purchase behaviour, which is why scholars often base their research on the purchase intention (Jonsson & Ygge, 2018). In accordance with the TRA the behaviour is determined by the intention (Ajzen, 1991). Therefore, purchase intention can be explained as the probability that a customer will plan or be willing to purchase a certain product in the future (Wu et al, 2011). According to Jonsson and Ygge (2018) even though this is not a direct evidence that an actual purchase will be performed, purchase intention is very useful in customer research to predict the buying decision.

2.1.1. Theory of Reasoned Action

The Theory of Reasoned Action (TRA) proposes that an individual's behaviour is derived by his/her intention to conduct the behaviour and that this intention is thus a component of his/her attitude towards the behaviour and subjective norms such as the opinions of family members and other closely related individuals (Fishbein & Ajzen, 1975). This concept was first theorized in 1967 by Fishbein and Ajzen and has ever since been vividly applied as a conceptual framework to examine customer behaviour (Jonsson & Ygge, 2018).

As the name may indicate, this theory proposes that an attitude is formed by the individual's belief to engage in a certain behaviour and is based on the expected outcome from performing that particular behaviour (Ajzen & Madden, 1986). Simply put, the behaviour is determined by the intention (Ajzen, 1991). According to Ajzen (1991), intentions are capable of capturing the motivational factors that power a behaviour. This involves the degree of willingness of an individual to attempt, or the amount of effort he/she is planning to employ to perform the behaviour. TRA specifies that there exist two major determinants that will predict the intention. These are attitudes toward behaviour, and the pressure of subjective norms (Fishbein & Ajzen, 1975). Ajzen and Fishbein (1980) define attitudes toward the behaviour as the person's own personal favourableness or non-favourableness toward that behaviour, whereas subjective norms are explained as a person's perception of important social influences that matters to him/her such as family and friends (Ajzen & Fishbein, 1980; Ajzen & Madden, 1986). TRA is working from the approach of rationality, meaning that people make reasonable use of the information that they are proposed to. Therefore, the behaviour is explained to be a result of a conscious decision (Fishbein & Ajzen, 1975).

Figure 2: Theory of Reasoned Action



Source: Jonsson and Ygge, 2018

2.2. Supply Chain Transparency

Many scholars have given a definition to the general understanding of transparency; however, these differ in approach depending on its context (James & Montgomery, 2017). Ball (2009) for example uses a wide understanding of it being synonymous with openness, while Mol (2015) and Doorey (2011) with a similar wide understanding describes transparency as the disclosure of information in a business context. In other words, transparency is focussed on revealing information about rules, plans, processes and actions. It can be simply termed as getting to know answers for questions such as why, how, what, and how much (Transparency International, 2018).

In a highly globalized context where external suppliers and sub suppliers are common business practices, the demand for transparency is expanded surpassing the corporate boundaries and into supply chains (Mol, 2015). In this context researchers sought a need for a more specific definition of what we hereby will refer to as supply chain transparency which incorporates the degree of information regarding the supply chain which is available to other actors (Awaysheh & Klassen, 2010). Cramer (2008) refers to supply chain transparency as the disclosure of supplier information, Carter and Rogers (2008) defines it as the degree of information a company is willing to share about its supply chain practices, and O'Rourke (2003) even describes it as being a key attribute of which one is able to judge a company's supply chain. Similarly, Doorey (2011) and Laudal (2010) adopts an ability of traceability through production to the approach. Egels-Zandén, Hulthén and Wulff (2014) specifically describes it as disclosure of information such as the names of the suppliers, sustainability conditions of suppliers, and the purchasing practices of the customers. Additionally, researchers often pay specific attention to the elements of ethics and sustainability in the supply chains (Mol, 2015). Supply chain transparency applies a stakeholder perspective (Morgan et al, 2018). In particular, supply chain transparency focusses on investigating how the information relevant to supply chain is communicated to different stakeholders (Morgan et al, 2018). Present day researchers have been requesting over the years to expand the concept of transparency by revealing non-operational information with external stakeholders instead of sharing information with internal supply chain partners (Schnackenberg & Tomlinson, 2016).

Researchers today deem transparency to be desirable for corporations in order to achieve favourable characteristics such as legitimacy (Carter & Rogers, 2008), accountability (Dubbink et al, 2008) and trust (Augustine, 2012), which all ultimately relates to the perception of the company in the eye of the customer.

Jonsson and Ygge (2018) have attested the presence of two dimensions of supply chain transparency called degree of disclosure and degree of assessment. Fashion Revolution (2017) describes degree of disclosure as “if you can’t see it, you can’t fix it”. Hence the degree of disclosure can be defined as the amount and type of information regarding the supply chain that a particular organization is willing to share with the outside stakeholders. It is an essential element in achieving legitimacy as it allows external actors to monitor sustainability claims (Laudal, 2010). By making information regarding the supply chain public, it helps stakeholders, non-government organizations, unions, communities and the workers themselves to reinforce and uphold ethical standards (Fashion Revolution, 2017). Therefore, Jonsson and Ygge (2018) have suggested that transparency in terms of disclosure thereby facilitates the understanding from all involved parts of what went wrong, who is responsible and how to fix it, and thereby reinforcing the accountability of companies. Jonsson and Ygge (2018) have further stated that companies can further gain competitive advantages when increasing their level of information disclosure. By applying the “We have nothing to hide” approach toward openness can be a way of differentiating themselves from the companies that perform badly in this matter. On the other side, some companies are only acting transparently on their more successful examples of activities, called CSR-washing. This has led stakeholders to react with skepticism to solely rely on the information disclosed by the company (Egels et al, 2015).

The idea of companies not having full knowledge about their supply chain might seem improbable, but the truth is that many companies have a very limited visibility of their supply chain, and further having a poor understanding of how to acquire the information, what it means and how to report it (Marshall et al, 2016). This is because many organizations have highly complex and globalized supply chains, which cross many national borders and can pass through hundreds of workers during the process (Marshall et al, 2016). Degree of assessment refers to the degree of control, knowledge and insight the company has regarding their supply chain, thus whether or not they have a good grasp of the information (Marshall et al, 2016). A high degree of assessment increases the companies’ ability to track suppliers, which decreases the risk for including unauthorized suppliers that do not comply with CSR standards in the chain, and thereby harming the reputation of a company (Fashion Revolution, 2017).

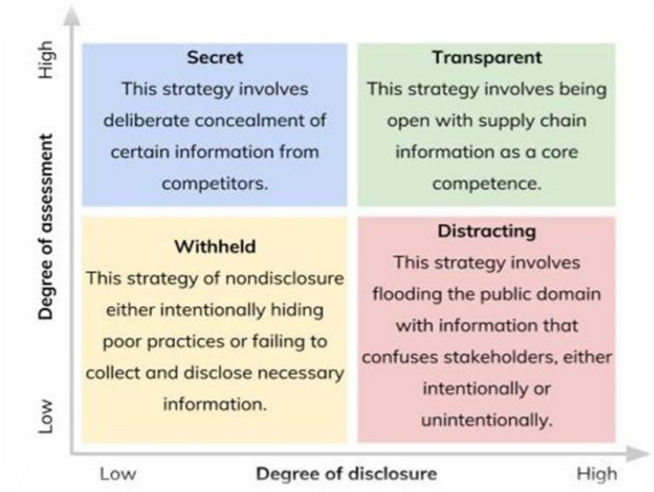
According to Parris et al. (2016), a firm should have significantly pertinent information in order to enhance the view of a particular firm’s transparency. An ideology which is generally accepted is that information should be adequately applicable to the considered population to activate their decision-making dynamics. At the point of unveiling information by a firm about itself to its stakeholders such as customers, suppliers and government, it transforms a signal of transparency (DeKinder and Kohli, 2008). But one proviso that is imperative to be kept in the mind is that the information must be viewed as significant to stakeholders, and hence applicable. The Global Reporting Initiative (GRI), which is a non-profit firm that encourages other firms to willingly share their information in the form reports, has created a bridge between the information relevance and transparency. It proposes that information unveiled/reported by firms should be valuable, easy to understand, and adequate (GRI, 2006) in order to facilitate stakeholders to arrive at accurate decisions.

According to Parris et al. (2016), firms which are externally transparent are willing to share information such as their present and future customers, members involved in the supply chain, investors, and other partners with their stakeholders. When transparency among supply chain members increases, the efficiency in the flow of materials in supply chain also significantly increases which means that there is a positive relationship between transparency and efficiency in the flow of materials. (Hultman & Axelsson, 2007). At the same time Bhaduri and Ha-Brookshire (2011) suggests that customers of transparent organizations will ultimately have greater purchase intention, thereby enabling such firms to outperform their competitors (Parris et al, 2016).

2.2.1. The Supply Chain Transparency Matrix

In order for a company to select a supply chain disclosure strategy, they first need to account for several elements such as: their knowledge and insight in the supply chain, what type of information to disclose, and how much of it they want to reveal (Jonsson & Ygge, 2018). Marshall et al. (2016) included these aspects when they developed their transparency matrix, in which the two dimensions of transparency, degree of disclosure and degree of assessment, mirrors four typical supply chain disclosure strategies. Therefore, the strategies in this are based on the amount and depth of evaluation and the level of public data disclosure (Jonsson & Ygge, 2018).

Figure 3: The Supply Chain Transparency Matrix



Source: Jonsson and Ygge, 2018

The companies that fall under the transparent strategy strive for the greatest amount of disclosure of information regarding the supply chain, often both internally within the company as well as externally towards stakeholders. In general, these companies tend to perceive disclosure as a core competence and capability. An excellent example of this is the apparel company Everlane, who has adopted what they call "radical transparency" that includes total disclosure of their factories and costs (Everlane, 2020). Everlane has taken the general notion of transparency and transformed it into the foundation of their business model. The category Secret Companies include strategies in which the companies have high degree of assessment, thus knowledge about their supply chain activities, but only disclose little or no information to external actors. These companies view their supply chain information as intellectual property that creates competitive advantage and therefore deliberately only conceal supply chain information. Examples of activities that can be secret could be the development of new products manufacturing processes, sources of supply, recipes, technical specifications and customers and suppliers. Coca Cola has for example never revealed their secret recipe, and the same goes for KFC's fried chicken batter. The Distracting Companies on the other hand report information to external actors, but in a way that unpurposely or purposely distracting. The companies which unpurposely distract are simply not able to understand or evaluate what information is of relevance and report excessively on other or all kinds of practices. On the other hand, some companies deliberately distract external actors and stakeholders from discovering questionable practices by focusing excessively on self-selected practices, while deemphasizing others. This strategy includes CSR-washing practices, which are common in many industries among them the one of apparel (Fashion Revolution, 2017). The last category is the Withheld Companies that entirely withhold information from external actors and stakeholders. The reasons for them not to disclose information regarding the supply chain could either be that they simply do not have the information and thereby unknowingly withhold information, or that they intentionally avoid disclosing information because it includes harmful practices that would have a negative effect on the company's reputation. (Jonsson & Ygge, 2018).

We live in a sophisticated world in which the interest for sustainable practices in the entire supply chain and the global communication via advanced technologies continuously develop. However, Badhuri and Ha-Brookshire (2011) has postulated that regardless of all these improvements, present day customers do not have sufficient accessibility to accurate information regarding the sustainability efforts carried out by firms all around the world. At present customers have started to demand several companies to present them with precise information on the social and environmental impacts of the activities carried out by them (Burchell & Cook, 2006). For an example, a study conducted by Singh et al. (2008) has indicated that there is a solid requirement for the availability of transparency between organizations and customers with respect to the sustainable business practices that the organizations claim to perform. According to the results of this study, Singh et al. (2008) have discovered that customers exhibit an interest in getting to know the relevant information about the manufacturing processes of the products that they consume. Therefore, these scholars have arrived at the conclusion that an opportunity to excel at their industries prevails for organizations if they are willing to educate customers regarding the origin of the products and thereby satisfying the customers' hunger for knowledge. Since transparency is closely related with visibility and accessibility of business information, Vishwanath and Kaufmann (2001) have suggested five specific dimensions of transparency. They are accessibility, comprehensiveness, relevance, quality and reliability of information. Strutnin (2008) has identified the significance of maintaining supply chain transparency for the purpose of developing the loyalty of customers, a renowned brand image and for guaranteeing the quality and safety norms of the products manufactured. He has recommended organizations to develop a traceable supply chain that depicts the development of source materials through different processors, producers and several members of the supply chain pipeline to the end users. Carter and Rogers (2008) have also recommended that it is imperative for organizations to be transparent with their business activities in order to keep up with the level of authenticity which is required to build a renowned reputation.

3. Methodology

3.1 Sampling Method

According to Saunders et al. (2016) this research can be identified as an explanatory, cross sectional study since it establishes a causal relationship between several variables at a particular period of time.

Sekaran and Bougie (2016) has defined sampling as the process of identifying the correct people, objects, or events as representatives for the whole population. These two scholars have also mentioned that several factors such as the objective of the research, degree of precision required, the acceptable risk in estimating that degree of precision, the degree of variability in the population, the cost and time limitations and in certain scenarios, the size of the population itself, have a significant impact on arriving at decisions about sample size. Further according to Sekaran and Bougie (2016) sample sizes of in between 30 and 500 are ideal for the majority of the research. Therefore, in this study, considering the time constraint as well, the researcher has limited the sample size to 270. The study has considered both male and female participants aged over 20, as both conventional literacy and IT literacy were prerequisites for completing the questionnaire. According to Nikolopoulou (2022), snowball sampling begins with a convenience sample of one or more initial participants. In this research also, considering the time and other physical constraints, researcher initiated the data collection process using a selected group of apparel customers in Colombo district based on convenience sampling and requested them to share the questionnaire with suitable respondents, thereby initiating snowball sampling method.

3.2 Data Collection

Primary Data

Primary data were collected by sharing a structured questionnaire in the form of a Google form which consists of demographic data and several important aspects relevant to purchase intention of customers. The research questionnaire consists of two major sections. First section includes questions pertaining to the demographic information of the respondents whereas the second section includes several statements arranged according to a 5-point scale Likert scale.

Secondary Data

Secondary data for this study were collected from various academic and industry sources relevant to the field of supply chain transparency in the apparel industry. Specifically, peer-reviewed journal articles, industry reports, and conference papers were reviewed to provide a comprehensive understanding of the topic. To access these sources, databases such as Emerald Insight, Academia, and Google Scholar were utilized. These platforms provided a wide range of articles that discussed ethical concerns, transparency issues, and customer behavior in the apparel industry.

The selection of secondary data was based on the relevance of each study to the research questions, publication recency, and the credibility of the sources. Preference was given to recent studies published within the last decade, which provided updated perspectives on the rapidly evolving supply chain practices in the apparel sector.

3.3 Data Analysis

A quantitative approach is followed in this study to accurately assess the impact of supply chain transparency on the purchase intention of apparel customers. The collected data was then analysed by using the statistical analysis software IBM SPSS statistics 20.0 package. This software was used in order to test the validity and reliability of data, to establish regression model and to test hypotheses suggested by the researcher.

Researcher has identified supply chain transparency as the independent variable and the purchase intention of the apparel customers as the dependent variable. Researcher has explained the relationship between these variables and why he expects such relationships exist between them.

Relationship between supply chain transparency and the purchase intention of apparel customers

Reynolds and Yuthas (2008) argue that transparency built on disclosing CSR efforts is one of the essential conditions for the development of positive relationships between customers and companies. This is due to the fact that disclosure of information of supply chains becomes the foundation of knowledge and awareness of a company's business practices for the stakeholders (James & Montgomery, 2017). Further according to Jonsson and Ygge (2018) companies can gain competitive advantages when increasing their level of information disclosure. Researchers today deem transparency to be desirable for corporations in order to achieve favourable characteristics such as trust which ultimately relates to the perception of the company in the eye of the customer (Augustine, 2012).

H1: Supply chain transparency has a positive impact on the purchase intention of apparel customers.

3.4 Operationalization

Table 1: Operationalization of the Research

Variable	Indicator	Measurement	Source
Customer Purchase Intention	I am likely to consider a brand that I have purchased previously when I purchase an apparel product next time	Strongly Disagree = 1 Strongly Agree = 5	Adopted from Krishnamurthy and Sivaraman (2002)
	I am likely to purchase an apparel product suggested to me by a friend.		
	I am likely to check reviews before purchasing an apparel product.		
	I am likely to ask the salesperson about the apparel products of a specific brand the next time I visit a store.		
Supply Chain Transparency	I am knowledgeable about the social issues in the clothing business.		Adopted from Jonsson and Ygge (2018)
	I believe the brands that I purchase from provide me with a lot of information regarding the social practices in their supply chains.		
	I believe the information regarding the social practices in supply chains of the brands that I purchase from are complete.		

	I believe the brands that I purchase from have the ability to control the social practices in their supply chains.		

4. Findings and Discussion

4.1 Reliability Analysis

Reliability refers to testing both consistency and stability of a specific variable. Cronbach's alpha is computed in terms of the average inter correlations among the items measuring the concept. The closer Cronbach's alpha is to 1, the higher the internal consistency reliability (Sekaran & Bougie, 2016). However, as a standard, a scale is considered reliable if its Cronbach's alpha value is greater than 0.7.

Table 2: Summary of Reliability Analysis

The variable	**Cronbach's Alpha**	**Reliability**	**Conclusion**
Customer Purchase Intention	0.752	0.752 > 0.7	Reliable
Supply Chain Transparency	0.789	0.789 > 0.7	Reliable

As represented by table 2, the reliability of both the variables (customer purchase intention, supply chain transparency) is above 0.7, which implies that all the variables concerned in the study are reliable. It demonstrates that all the measuring items are held together in the measurement of each variable. In other words, all the variables in this study produce consistent and stable results. Both customer purchase intention and supply chain transparency are reliable with Cronbach's Alpha values of 0.752 and 0.789 respectively.

4.2 Correlation Analysis

McLeod (2020) has simply defined correlation as a measurement which can be utilized to measure the degree to which two variables are related. Precisely it is utilized to measure the strength of a linear relationship which exists between two variables (Bock, 2020). In this study, Pearson correlation matrix has been used to interpret the relationships between variables.

Table 3: Correlation between Customer Purchase Intention and Supply Chain Transparency

Dependent Variable	**Independent Variable**	**Pearson correlation**	**Significance of the relationship**
Customer Purchase Intention	Supply Chain Transparency	**0.643**	**0.000**

There is a strong positive relationship between customer purchase intention and supply chain transparency. Also, the relationship is 64.3% (When supply chain transparency increased, customer purchase intention can also be increased). Since the significance value is less than 0.05, there is a significant relationship between customer purchase intention and supply chain transparency.

4.3 Regression and Hypothesis Testing

In this study, linear regression has been used in order to interpret the relationship between the independent variable and the dependent variable. On the other hand, hypothesis testing is a statistical technique which is utilized in order to test the hypotheses. The alternative hypothesis is accepted by rejecting the null hypothesis if the significance value gained from the analysis is less than 0.05.

Table 4: Summary of Regression

Hypothesis Testing	**Beta Coefficient**	**Significance**	**Accept/Reject**
H1: Supply chain transparency has a positive impact on the purchase intention of the apparel customers.	0.643	0.000	**Accept**

The positive beta coefficient of 0.643 suggests a statistically significant and positive relationship between supply chain transparency and customer purchase intention. This implies that as the level of transparency in the supply chain increases, there is a corresponding positive impact on customers' intention to make purchases.

It explains that there is a 64.3% impact from supply chain transparency to customer purchase intention of apparel customers in Colombo district. This is a positive relationship as described. It implies that an apparel company can increase the purchase intention of its customers in Colombo district by 0.643 units if that company can enhance supply chain transparency by 1 unit.

H1: Supply chain transparency has a positive impact on the purchase intention of apparel customers

According to significance values in regression results, for supply chain transparency the value is lesser than 0.05 ($0.000 < 0.05$). Therefore, H1 is accepted.

5. Limitations and Recommendations for Future Researchers

5.1 Limitations

There are certain limitations which are engaged with this study. The study focusses only on one variable which affects the customer purchase intention of the apparel customers. However, the considered variable is a dominant variable which has a strong impact on the customer purchase intention. The researcher had to overlook other factors mostly due to the time constraint. Time constraint had an impact on selecting a relatively smaller sample size as well. Having to collect primary data only by distributing an online questionnaire can also be identified as a limitation of this study. Due to the travel restrictions and other health guidelines imposed by the government due to Covid 19 pandemic situation, the physical distribution of a questionnaire was not an option. Hence, the researcher had to rely solely on responses gathered by distributing an online questionnaire for primary data.

5.2 Recommendations for Future Research

Researcher has identified the potential to further enhance the fitness of the model. Several limitations such as time constraint and travel restrictions forced the researcher to limit the number of independent variables to only one. A model developed with more independent variables such as customer morality, customer loyalty and green supply chain practices is expected to have a greater model fitness. Additionally, it is advisable to conduct future studies by stressing more exclusively on the mediating role of degree of disclosure through degree of assessment (Jonsson & Ygge, 2018). Researchers should also investigate whether supply chain transparency has an impact on customer trust and customer attitudes. Therefore, additional research in this ever-growing field of study is to be recommended in order to provide further improvements that organizations can implement in their operations.

While conducting this study, researcher observed that a considerable number of respondents lacked significant knowledge on the concept of supply chain transparency. The number of respondents who had proper awareness on supply chain transparency initiatives of organizations decreases further. The result of this study suggests that supply chain transparency has a strong positive relationship with customer purchase intention. However, when customers are unaware about this concept, they may end up in not purchasing products from a certain brand even though that particular company has a greater transparency. Therefore, being transparent is not sufficient. Organizations should properly communicate these practices and enhance the awareness of the customers as well. Hence, it is advisable for apparel companies to take progressive steps towards enhancing the knowledge of customers and make them aware about the social, environmental and economic benefits of purchasing from transparent brands. The responses obtained from the research questionnaire also revealed that the majority of the respondents are unlikely to check reviews before purchasing an apparel product. According to the opinions of the respondents, product reviews are useful when purchasing products such as electronic items. When it comes to apparel industry, product reviews become less significant because purchase intention vary largely from one individual to another. Therefore, it is recommended for apparel companies to include more objective information such as the source of origin, means of transportation and the working conditions of employees instead of highly subjective product reviews in their websites.

6. Conclusion

Rapid globalization and complex labour-intensive supply chains have resulted in several ethical issues related to the social practices in apparel companies. The overwhelming demand has pushed the companies to extend their supply chains to extents as far as it has never been to. As a result of this many apparel companies no longer possess the controlling power over their supply chains. Hence, the amount of information that a company knows about its supply chain (Degree of Assessment) and the amount of information that a company is willing to share with its stakeholders (Degree of Disclosure) have gradually decreased. Therefore, this study was conducted in order to fulfil the purpose of determining the impact of supply chain transparency on purchase intention of apparel customers in Colombo District. In order to fulfil this purpose a research question was developed.

What is the impact of supply chain transparency on customer purchase intention?

It was theorized under literature review that there is a direct relationship between supply chain transparency and customer purchase intention. Jonsson and Ygge (2018) have mentioned that companies can gain competitive advantages when increasing their level of information disclosure. This statement was corroborated by the findings of this study. With a Pearson's correlation value of

0.643 and a significance value of less than 0.05 (0.000 < 0.05), it was concluded that supply chain transparency has a strong positive impact which is also significant on purchase intention of customers.

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