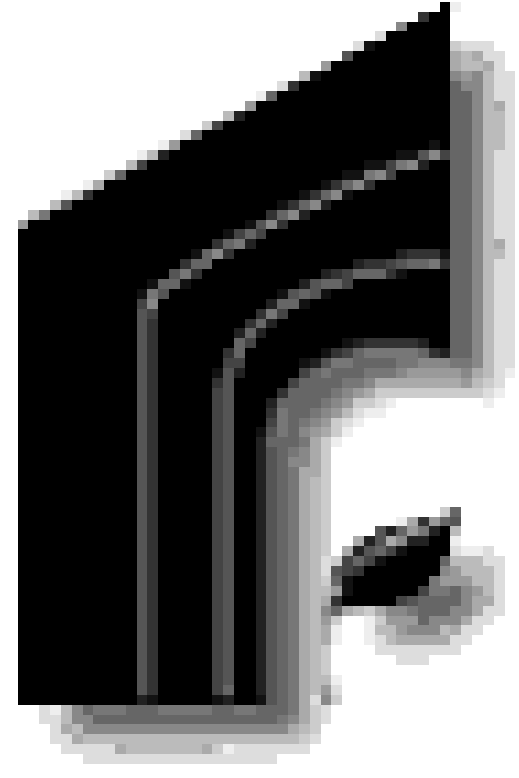


THE SUSTAINABLE FASHION INDUSTRY



An Investigation of the Industry

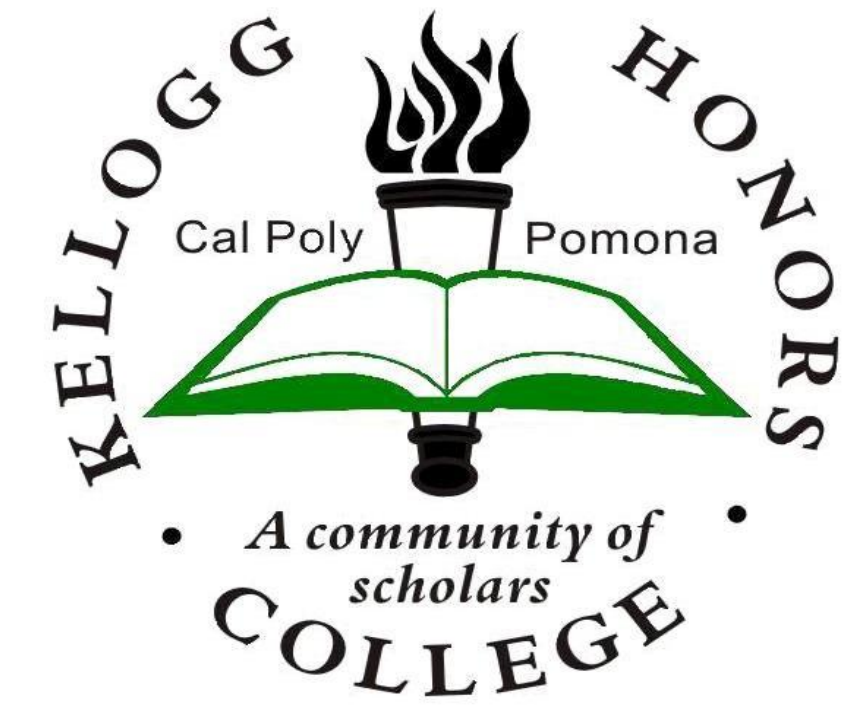
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Related Consumer Market Research

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Defining Sustainable Fashion:

Fashion with a conscience
aka eco-fashion, ethical fashion

sustainable fashion: is fashion products that are produced by incorporating one or all of the pillars of sustainability. Sustainable fashion brands strive to specifically find ways to combat environmental issues, as well as societal/communal issues that have become evident problems in the fashion industry, while also generating profit and providing a positive contribution to the economy.

Examples of sustainable fashion practices:

- ethical sourcing
- good working conditions
- providing a good business model in the clothing's country of origin
- sourcing materials ethically (i.e. organic and biodegradable materials)
- business practices that are not harmful to the environment

sustainable fashion is term that is interchangeably used with eco-fashion as well as ethical fashion. All three terms represent fashion "with a conscience" (Joergens, 2006). In the literature sustainable fashion is difficult to define. This project finds that there are either contradictory definitions, incomplete definitions or authors themselves credit the term as difficult to define. Despite it's lack of an official name, or specific definition sustainable fashion is very much a real movement within the apparel industry.

Fast vs. Slow

fast fashion: is the term that describes a sector of the apparel and fashion industry that produces inexpensive clothing and accessories that follow current fads and trends of high price runway looks. Due to the nature of the industry, fast fashion garments are cheap and of lesser quality, thus not lasting consumers very long. The nature of the industry of low costs and quick production creates many social and environmental issues such as unfair working conditions as well as creating a culture of waste. (Joung, 2014).

Issues with Industry:

- mass wasting
- chemical wasting
- landfill waste
- sweatshops
- unethical labor (unfair wages, working hours, working conditions)
- poor quality goods
- encouragement of mass consumption

Clothing disposal is related to the environment. Although almost 100 per cent of textiles are recyclable, Americans threw away 13.1 million tons of textiles in 2010, of which more than 11 million tons were dumped in landfills (EPA, 2012).

slow fashion: is the term that describes the alternative to fast fashion, that is, clothing that is less dependent on fads and trends and more dependent on styles or classics. It is a socially conscious movement that shifts consumers' mindsets from quantity to quality, encouraging people to buy high-quality items less often. Slow fashion encompasses slow production and consumption. Slow production does not exploit natural and human resources to expedite manufacturing speed, and slow consumption entails a longer product lifespan from manufacturing to discarding. (Jung, 2014).

Industry Drivers:

The sustainable fashion industry is motivated by individuals from both the production side as well as the consumption side. Consumers are increasingly concerned about the social and environmental consequences of the fashion industry (Shen, 2012) and driven by these consumer concerns, corporations are becoming more aware of the need to be eco-friendly and socially conscious (Brown, 2010).

Global fashion chains including H&M and MUJI have launched organic collections and fair trade products. Other retailers have been taking action with implementations such as eco-friendly shopping bags made of organic cotton or recycled synthetic materials

Gaps:

Consumer Beliefs & Actions
Producer Transparency & Consumer Attention:
Producer Advertising and Communication & Sustainable Practices
Consumer Knowledge & Sustainable Efforts made by the Producer
Credibility & Lack of Industry Regulation
Producer Appeals & Consumer Purchasing Criteria

Industry Issue- Lack of Regulation:

what's in a tag?

Conventionally, apparel companies have used hang tags to convey brand name, build brand identity, educate consumers about product attributes, inform consumers about a company's mission and reinforce both product labeling and advertising. More recently, apparel companies have begun to use hang tags to emphasize their identities as responsible businesses (Hyllegard).

- Facts such as: fiber origin, country of origin, identification of country of origin according to FTC guidelines
- Fact such as: facility where made, type of travel and packaging, social practices as well as environmental practices are not included (Sustainable Apparel Coalition)
- No official universal measurement that is a requirement for clothing companies to use to communicate to consumers the level of their business and the level of their commitment to sustainability. No official moderator, instead companies must make claims, and prove that their brand, as well as their product is sustainable.

Industry Consumer Market Research:

- Participants were willing to pay a 25 percent premium for an organic cotton T-shirt over the visibly similar t-shirt made from conventionally produced cotton. Consumers tend to carry that purchase behavior across product categories. When marketing organic apparel products, the perception of a higher quality product may yield a higher WTP (Ellis, 2012).
- Consumer beliefs about ethical fashion, are based on their perceptions of a company in terms of its reputation in the fashion industry, influence their support for what they perceive as socially and environmentally responsible businesses. Consumer education is essential and retailers should take initiatives to educate consumers so as to ensure the success. (Shen, 2012).
- Fast-fashion purchase is found to be positively related to disposing and hoarding, but negatively related to participation in recycling (Joung, 2014).
- Young female consumers are unaware of the need for clothing recycling and agree that there is a general lack of knowledge of how and where clothing is disposed of, or even how it is made. To combat this fast fashion retailers can offer and promote recycling programs (Morgan, 2009).
- Consumers feel steps must be taken towards sustainability, and that every effort helps, despite some skepticism. There is a need for more concise educational and marketing campaigns (Hill, 2012)
- Consumers are easily skeptical of marketing claims: marketers need to be aware that the use of general terms, such as eco, green, natural, organic, or sustainable in brand names and promotional messages may not be effective for establishing positive attitudes toward brand name (Yan, 2012).
- For all consumers quality and aesthetics are highly important when purchasing clothes and fashion, even eco-clothes. In fashion the main driver for change is the consumers' desires, not guilt. Manufacturers, designers and retailers do not truly know what consumers want and expect from eco-fashion, and hence the present trends in eco-fashion and ethical clothing appeal only to a limited number of consumers and their aesthetics (Niinimäki, 2010).
- Strong product/brand attributes such as SRA can be weakened by the price premium level of eco-fashion. It is not enough for fashion companies to manufacture fashion clothing in an ethical production system and develop and design fashion clothing with sustainable and recyclable materials. They must also improve SRA (or other brand attributes) of eco-fashion to better satisfy fashion consumer needs, and should be cautious of price premium (Chan, 2012).

Future of Sustainable Fashion:

current fad or future trend?

- Total Global apparel exports are worth approximately USD 412 billion (2011) and global textile exports USD 294 billion
- Rising per capita disposable incomes, coupled with the steady upward trend in the global population, will give way to greater demand for apparel
- Industry revenue is projected to grow at an annualized rate of 5.9% to \$804.4 billion in the five years to 2019
- In order to maintain success consumers must be educated
- Make products relatable for reasons other than ethical fashion, justify price premium with other product attributes
- Continue to educate consumers with better transparency and selective advertising
- Clarity through better wider know industry standards that prevent skepticism

Current WIP: Individual Consumer Market Research Project

Designing an experiment that seeks to investigate the relationship between sustainable fashion and price premium as well it's relation to brand value as well as brand equity.