

SUSTAINABILITY AS A KEY ASSET IN ESTABLISHING DIFFERENTIATION STRATEGIES FOR FASHION BRANDS

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ABSTRACT

In referring to the fashion system or business, we can address to a wide variety of approaches. On an economical and business analysis, fashion can be defined as a cycle that allows to some mature industries, such as clothing, footwear or even cars, to be dynamic and maintain certain profitability over the time.

While our attention tends to focus solely on the finished products, we must understand that these are the result of a long chain of stages, activities and technologies whose interaction is largely responsible for the product's success on the market.

Sustainability arises as a main vector of differentiation for fashion brands in today's world context. In a fast moving industry such as fashion, sustainability is a concept for designers to explore, breaking the grounds for the environmental impact of the production supply, considerations of end uses or the lifecycle of the product.

One of the challenges that we can present to fashion brands nowadays is to deliver a blend of both sustainability and elegance in fashion.

In an era dominated by economic and financial crises, how can fashion brands coop with this new reality and enhance their differentiation vectors in order to succeed?

This paper intends to explore the sustainable business model and strategy for fashion brands towards a more responsible branding, facing the challenges that the new world places upon them.

KEYWORDS: Sustainability, differentiation, fashion, strategy

1. INTRODUCTION

Fashion is a complex discipline made up of a complex interconnection of multidisciplinary nature, comprising: design in both two and three dimensions, textile development, old and new technologies, craftsmanship and artisan skills, business and production, marketing, promotion and consumption, global economics, material and visual culture, history, social anthropology, among others. 1

On one hand, fashion represents the top of a commodity-driven industry, and on the other it is also a vital component of social interaction and industry driver.

Fashion usually generates contradictions between desire and consumption versus the concept of ecological and sustainability that is preeminent in today's lives.

The unique nature of the fashion industry, with its speed to market and responsive methods of production, has been of growing interest to a wide community

We intend to show that design, rather than representing only final aesthetics, has a fundamental role in the new concepts of fashion within a sustainable and friendly world.

It is in fact an inherent characteristic to fashion brands that should hold an increasing importance in resolving fundamental issues, personal, financial, social, and environmental needs whilst satisfying the innate desire for novelty and delight.

2. METHODOLOGY

On a first phase we conducted a theoretical revision of the concepts studied through existing literature, based on the collection of information from an extensive research on books; articles published both in journals and on the internet and information presented on various websites related to the main subjects of analysis.

We have then conducted an empiric study of some of the most recognizable environmental friendly/ sustainable fashion brands to date. Similar points were detected as well as similar approaches to the fashion business that ultimately led to conclusions on this study.

3. BRAND BUILDING AND BRANDING

There are several theories concerning the process of building a brand and how to represent it. In a practical sense we can describe it as a name to which consumers identify themselves with or a product/ service they wish to acquire.

Adding strategy orientation to a brand is also a widely mentioned subject in the academic world. Branding therefore exists as a discipline, whose main focus of study is brands and its interrelations.

Kotler mentions branding as “a major issue in product strategy”.² As the brand was only part of the product, the communication strategy worked towards exposing the brand and creating brand image. Aaker and Joachimsthaler mention that within the traditional branding model the goal was to build brand image; a tactical element that drives short-term results.³

Kapferer mentioned that “the brand is a sign -therefore external- whose function is to disclose the hidden qualities of the product which are inaccessible to contact”.⁴ The brand served to identify a product and to distinguish it from the competition. For Kohli and Thakor, the challenge today is to create a strong and distinctive image”.⁵

Urde’s Brand Hexagon (Image 1), integrates brand equity and brand identity with a company’s direction, strategy and identity. At the centre of the model lies the core process of brand meaning creation, which includes the positioning and core values, to create value and meaning.⁶

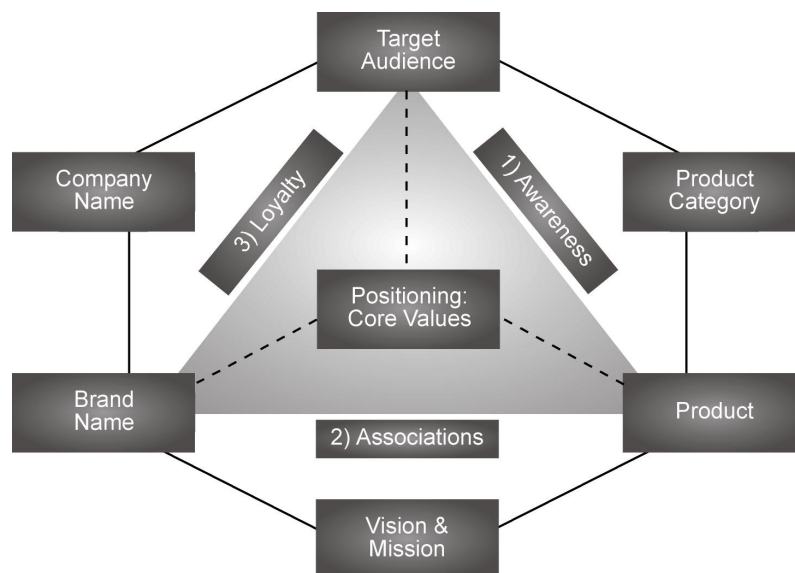


Image 1: **Brand Hexagon** (according to Urde 1999)

In sum, a strong brand is one of the most powerful assets a company can have. The brand functions as an effective and efficient link between the consumer’s needs and the organization’s value proposition, because it represents the functional and emotional advantages of the concept, which capitalize on the ambitions and aspirations of the consumer. Later we will draw from this scheme to conceptualize the proposed model of study.

3.1 Brand Differentiation

Successfully differentiation fashion brands require that the value offered is consistent enough to maintain interest from consumer's season after season.

For this to happen it is necessary that there is an integrated communication logic that defines methodologies and manages the processes of design – through the intersection of technical and creative sectors, providing a competitive advantage/ added value.

A sustainable differentiation model for fashion brands is a strategic method to implement brands characteristics. Whether we are dealing with a start from scratch brand or existing brands, the nature of the elements analysed provides a categorization and presentation of possibilities of applying to each case.

4. Corporate social responsibility (CSR)

Corporate social responsibility (CSR) is one of the concepts that are having a more active and prominent influence on brands nowadays, especially corporate brands.

Both branding and CSR have become crucially important now that the organizations have recognized how these strategies can add or detract from their value. 7

Everyday consumers are more and more eager to know what, where, and how much brands are giving back to society.

5. FASHION AND SUSTAINABILITY

“Sustainability can – and must – give rise to new, highly ambitious business models and become a lever of competitiveness for our brands.” Francois- Henri Pinault

Sustainability is a frequent word among the global fashion industry, but to what extent is it achievable? How can a brand cope with the requirements to incorporate sustainability into its strategy?

Sustainability has become one of the most critical issues in the fashion industry over the last few years. Not only are regulations tightening but consumers are also demanding more from brands and retailers.

Sustainability is not just another trend to come in and out of fashion. It is a deep paradigm shift and demands its own language.

The fashion market is built on contradictory trends – on one side we can identify plenty of sustainable brands achieving notoriety and on the other hand the most financially-successful clothing is the cheap, throwaway clothing, - generally called "fast fashion." 8

These fast moving fashion cycles and simultaneous and continuous trends, keep consumers minds the idea that fashion is a short-dated and constantly changing business.

We do not realise that our shopping behaviour forms a huge conflict with sustainability goals and also feeds insecurity and a permanent need to update our visual definition of our identity.

Two different strands are now converging in fashion - the search for lasting value and the urge to get to know more about the way fabrics are sourced and clothing is made. 9

“Sustainability” and “responsibility” are the two main words arising attention in an era dominated by economic and financial crises. Are fashion brands able to coop with this new reality and provide through them a differentiation vector in order to succeed?

Can sustainable business model and strategy for fashion brands be shaded into light towards a more responsible branding and still be desirable in the eyes and mind of the consumer?

6. THEORETICAL DEVELOPMENT

An enormous challenge that is placed upon fashion brands nowadays - to deliver a blend of both sustainability and elegance in fashion. Some have been successful into doing so.

In order to analyse three of these brands and its interconnections, and drawing from the model presented above by Urde, the following scheme was established (image 2).

Vectors analysed were: brand name, product category, vision and mission, positioning and core values. All 4 central elements are signs coming from the brand towards the outside world.

External collaborations and Corporate Social Responsibility are two external satellites items analysed where the brand interacts with the outer institutions. It is the sum of all these elements that ultimately leads to the differentiation aspects/ added value that are enhanced through communication to the consumers.

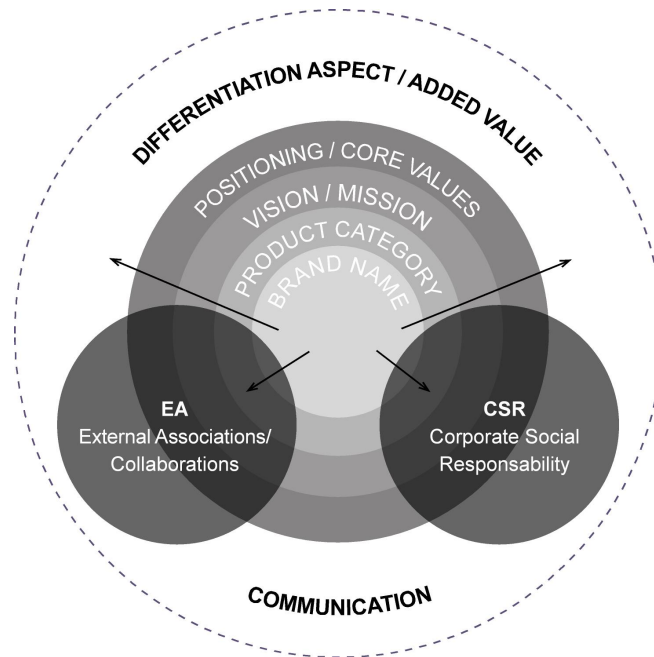


Image 2: **Brand vectors of analysis**

6.1 Analysis of EDUN

Brand Name:

Edun

Product Category:

Fashion Clothing

Description:

Founded in 2005, Edun is a for-profit business with the aim of creating a global fashion brand, making clothing whilst committing to developing trade with Africa and encouraging others to do the same. Edun is based on a belief that style should have substance.

Vision/ Mission:

Edun intends to build a long term, sustainable growth opportunities by supporting manufacturers, infrastructure and community building initiatives. Edun wants to use its experience as an example to show the viability of trade with Africa and to use its voice to encourage others within the fashion industry to do business with Africa, helping to create long-term commercial and social development.

Positioning/ Core Values:

Edun positions itself as a major force in supporting and developing trade with Africa, providing visibility for local businesses.

CSR - Corporate Social Responsibility:

Since its launch, Edun has always sourced globally from various countries both in and out of Africa, including Peru, Tunisia, Tanzania, Kenya, Madagascar, Morocco and most recently China. In 2007, Edun launched the division, Edun Live, a tee-shirt business which is 100% grown and sewn in Africa. The company actively works to increase trade with Africa and it is aiming to have 40% of its fashion collection produced in Africa by 2013.

Wherever Edun operates, it requires all factories to adhere to legal labour and health and safety regulations, as well as good working conditions. Edun engages independent auditors to conduct checks every six months to ensure its code of conduct is being met and works with factory owners to recommend improvements.

EA - External Associations/ Collaborations:

In 2008, together with the Wildlife Conservation Society (WCS) and Invisible Children Edun set up the Conservation Cotton Initiative Uganda (CCIU). CCIU enables Edun to affect change at the start of the supply chain and Edun Live primarily uses CCIU cotton. This year Edun is proud to introduce CCIU cotton into the production of its Kenya Kids Tees and Edun Basics for its fashion collection.

In 2010, Edun began a collaboration with 'Made', a jewellery producer working in Nairobi Kenya, it also works with 'Sawa Shoes' in Cameroon and most recently the 'Crochet Sisters' in Kenya.

Edun also worked with primary school students from the Bidii School in Kibera, Kenya to draw their world. Their pictures are then brought to life through graphic tees – The BIDII t-Shirt project. All profits from these tee-shirts go back to the school and help to provide continued supplies and support. Kibera is home to one of the largest slums in Africa with 1.5 million people.

Differentiation Aspect/ Added Value:

A fashion clothing brand with strong emphasis on social responsibility throughout all stages of its production process.

Unique design pieces and sustainability values appear as strong links to promote brand awareness.

Through a strong emphasis on communication and notoriety the brand grows consistently and well positioned in the mind of the consumers.

6.2 Analysis of FROM SOMEWHERE

Brand Name:

From Somewhere

Product Category:

Fashion Clothing

Description:

Creative sustainable fashion label founded in 1997, that takes advantage of an eclectic and original use of colours and panels it together with simple shapes for maximum wearability. FROM

SOMEWHERE pieces are instantly recognizable so the singular beauty of each garment lies in its uncompromising balance between contemporary approach to fashion design and a poetic and ethical solution to borrowing from unwanted treasures for our modern needs.

Vision/ Mission:

The brand works towards redressing the balance between consumption and disposal, and intends to take responsibility for waste in a creative way.

From Somewhere represents up cycling in it's highest form - a fashion forward design concept exploring innovative environmental solutions.

Positioning/ Core Values:

“From Waste to Want”

From Somewhere re-thinks the fashion industry's waste, reclaiming and up cycling as a design solution to an environmental problem.

CSR - Corporate Social Responsibility:

All womenswear collections are made from luxury designer's pre-consumer waste such as proofs, swatches, production off cuts and end of rolls – up-cycling high end fashion and textile surplus into beautiful clothes that take into account the balance between consumption and disposal.

Reproducible in large numbers while still retaining elements of the unique, each piece is individually cut from high quality reclaimed fabrics including knitwear, cashmere, cotton shirting, silks, jerseys, tweeds and woven.

While re-pulping and industrially recycling textile waste is in itself polluting and energy wasting, up-cycling slows down over production in the textile industry and prevents more waste from going into landfill or incineration, ultimately readdressing the balance between consumption and disposal, while preserving and re-valuing the original quality and beauty of the materials.

EA - External Associations/ Collaborations:

From Somewhere's ground-breaking collaboration with Speedo, the world's leading swimsuit brand originated from unsold stock and surplus pieces of the revolutionary Speedo LZR Racer suit wore in 91 world records. The limited edition capsule collection developed by From Somewhere, comprises a statement dress constructed purely of Speedo LZR's as well as a directional mini capsule collection of swim dresses, an entirely new concept of 'swimmer as daywear'.

From Somewhere has joined forces with F&F at Tesco for the second time this year to create a up cycled diffusion line entitled 'From Somewhere to F&F.' The innovative collection will be made using obsolete jersey stock, damaged end of rolls and pre-consumer textile waste.

The From Somewhere Cooperativa Rinascere collection, COOPSHOP, is also one of the best examples of the infinite possibilities offered today by sustainable solutions.

A combination of 100% up-cycling, 100% ethical trading, and boasting a very low carbon footprint, the From Somewhere Cooperativa Rinascere project is a new approach to fashion manufacturing and is setting new working parameters: the antithesis to fast fashion and sweatshop conditions, and a new, integrated, best practice system for a sustainable fashion future.

Differentiation Aspect/ Added Value:

In an industry which is increasingly overproducing, very little is being done to highlight how much is discarded at source, and yet what is being thrown is often intact, still beautiful, and still useable if thought of in a different way.

Creating connections between the industry and designers exclusively to recuperate “rubbish” is a way to model a new intelligent “parasite” industry, which performs sustainably alongside its mainstream counterpart.

Each collaboration is a tailor-made project with different outlooks but one single goal: to up-cycle high volumes of surplus and waste in the most creative and innovative way and to set-up a production system where textile surplus is addressed, organised and allocated before it becomes waste.

6.3 Analysis of NOIR, NOIR BLLACK and ILLUMINATI II

Brand Name:

Noir

Product Category:

Luxury Fashion Clothing

Description:

Noir was established in 2005 based on a vision of creating luxury fashion based on socially and environmentally responsible production principles.

Illuminati II was established in 2005 as a sister company to Noir. The aim of Noir is to sell high-end fashion, while Illuminati II aims at providing organic fabrics to Noir and other brands in the spirit of CSR.

In 2008, the company launched BLLACK NOIR, a sub-brand designed to appeal to a younger market with creations that are edgy and street savvy.

Vision/ Mission:

Noir’s CEO vision was to create a luxury brand with an ethical message – thus making corporate social responsibility sexy.

The mission of Noir is to provide customers with luxury fashion created through a production process incorporating CSR-principles in all links of the supply chain. Centrally, Noir aspires to produce garments with respect for social and environmental surroundings.

NOIR's statement is "to create meaningfulness in the luxury segment."

Positioning/ Core Values:

The NOIR brands aim at creating clothes that fulfil the needs of the consumers by providing stylish and fashion forward garments, while appealing to the consumers' social conscience.

The brand wishes to promote amongst European retailers and consumers the benefits of buying and using certified organic cotton produced by previously marginalized Ugandan farmers.

CSR - Corporate Social Responsibility:

In Noir's view, CSR should not be separate from business strategy and operations: it is about integrating social and environmental concerns into business strategy and operations.

The mission of Noir is to create fashionable apparel based on CSR-principles in all links of the supply chain. Centrally, this mode of production aims at causing no harm and to do good in the communities in which we operate.

CSR is implemented by adherence to the principles of the UN Global Compact, which, as an example, will ensure that the farmers are paid a fair price for their crop and that the cotton fabrics are produced under socially and environmentally responsible conditions in all levels of the supply chain.

This standard for organic textiles covers the production, processing, manufacturing, packaging, labelling, exportation, importation and distribution of all natural fibres. The final products may include, but are not limited to fibre products, yarns, fabrics and clothes.

Noir strives to live up to their objective by using the principles of the UN Global Compact, the International Labor Organization and the International Chamber of Commerce as guidelines in all links of the production process. Manufacturers are selected based on their commitment to quality, respect for social ethics and the environment.

EA - External Associations/ Collaborations:

The Illuminati II project is a joint venture between Noir and Gulu Agricultural Development Co. Ltd in Uganda.

Differentiation Aspect/ Added Value:

The added value of this brand holds itself in the principle that all links of the supply chain be based upon Corporate Social Responsibility principles.

The founding idea behind Noir was thus to create socially conscious fashion in an industry that is not otherwise known for its commitment to social responsibility. According to Peter Ingwersen, founder of Noir, the brand had no heritage so he needed to invent a future.

Noir continues to build its fashion and press image through visually striking photographic campaigns, sometimes bordering on the fetishist, whilst attempting to reconcile the contradictory elements within the business.

7. CONCLUSIONS

7.1 Recognition of the Power of Design

“Design constitutes only 5% of total cost of a product, yet it can dictate up to 80% of the products financial and environmental costs” (Graedel and Allenby, 1995)

To adopt a design mentality is to work collaboratively in all fields of the supply chain, challenge convention and find possibility where limits are traditionally placed. Design is a key driver to transform our existing culture.

Product sustainability is more than producing different kinds of products. It is about a different way of thinking about and making products.

For a brand to possess sustainably it can not focused solely on the product. A product cannot possess sustainability, but it can be designed to respond in a sustainable way. Sustainability is not about minimising negative impact, but also about maximising positive impact, allowing individuals, communities and economic systems to flourish. To work sustainably is to challenge convention and find new ways of working that achieve ecological, social and cultural balance that is in tune with human behaviour.

7.2 Fashionable Sustainability

‘I have seen millions given by NGOs to support developing businesses in Africa. But without great design, these pieces just get stockpiled and the business cannot support itself.’ (Azim Hasham, Director, Voodoo Blue)

Globalization and its technological, cultural and social changes has brought multiple new challenges to the international fashion industry such as outsourced & fragmented production, fierce competition, access to new customer segments and new consumer roles and demands. Companies are continuously forced to re-evaluate and adapt their strategic thinking and action. One of the more profound trends concerns Corporate Social Responsibility.

The social, environmental and ethical impact and responsibility of the fashion businesses are becoming a strategic reality. The fashion industry is particularly affected by this change, as global supply chains, brand identity, customers' perceptions and diverse and dispersed employment all constitute critical elements of building competitive advantage.

CSR cannot become a competitive advantage in itself, but needs to be combined with more traditional competitive parameters like price, product, service and ultimately communication.

It needs to be applied both as a resource and as a competence.

A broad range of issues are involved in moving towards a more sustainable fashion industry. The eco-friendly clothing sector is slowly becoming more widely pursued, however, as awareness of these issues and increased knowledge of the importance of sustainability become imperative and more widely circulated. 10

The burgeoning global eco-consciousness has prompted many large companies such as these to review their public image, enhancing levels of corporate responsibility to attract and retain customers now more sensitive to ecological considerations.

Through innovation and creativity—core competencies of the fashion industry—as well as long term collaboration within and outside of our industry, we must embed sustainability into all aspects of our business practices, building on the notion that all sustainability issues are converging and thus need to be dealt with as interconnected challenges and opportunities. 11

Creating sustainable fashion is therefore taking a new approach to shaping where technologies create new construction methods, and also bringing new aesthetics to the fashion industry and enhancing the designer's possibilities for the process of design development.

The brands analysed have shed light on issues and perspectives concerning the role of the designer in relation to product development, production and industry, business strategy, technologies and materials as well as on their application.

Ultimately this will lead to shape our mind into this new reality, acknowledging that the future of fashion is upon all of us, whether as designers, marketers, production, suppliers or mere consumers.

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