

APPAREL AND ACCESSORIES

## Luxury fashion is not ready for sustainability

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Going green has become luxury fashion's mantra of late. It has become hard to keep track of all sustainability targets, pledges, awards, charitable foundations and green capsule collections.

These are all important initiatives that push for sustainability conversation in a business where more than half of the companies have yet to take any action, according to Global Fashion Agenda and the Boston Consulting Group's "[Pulse of the Fashion Industry](#)" report. Regardless, surprisingly little has been done when it comes to transforming the way luxury fashion items are made and marketed.

To propel itself towards a more sustainable future, luxury fashion needs to rethink its sustainability strategy. More specifically, it needs to address the following barriers:

Across the industry, there is a current lack of investment in R&D. For an industry that once was so excited about its craft, imagination, beauty and work of human hands, luxury fashion shows a surprising lack of passion about new technologies and materials.

Material technology is another expression of craftsmanship and human imagination, and it should be embraced as such.

Related is the lack of education about new materials that most luxury brand leaders display.

While it is easy to get lost in the intricacies of the chemistry and mechanics, there is something fascinating about the combination of design, biology and engineering that can be conveyed in a way that is easily graspable.

Brand CEOs and heads of manufacturing and product design need to inform themselves on what is out there and what presents a viable, feasible and desirable alternative to unethical and waste-creating materials.

Even if a brand is ready to have a sustainability conversation, budgets it allocates to its selected sustainability initiative will more often than not come from marketing instead of product design.

Marketing budgets are shrinking. They are also allocated on an annual rather than a long-term basis, making it hard

MARKETING BUDGETS ARE SHRINKING. THEY ARE ALSO ALLOCATED ON AN ANNUAL BASIS RATHER THAN A LONG-TERM BASIS, MAKING IT HARD TO CONCEIVE, DESIGN AND DELIVER A MEANINGFUL SUSTAINABILITY PROGRAM.

A meaningful sustainability program may cannibalize a luxury fashion brand's revenues short-term, which is not something many marketers are willing to stomach, even if these short-term losses lead to longer-term financial gains. It will require changes in suppliers, manufacturing, distribution, merchandizing and marketing. All of these changes are costly.

Then, a switch to sustainability also pulls the plug on overproduction as a tactic of luxury fashion's business growth.

As Vetements CEO Guram Gvasalia **observed**, luxury fashion brands artificially inflate their growth numbers through "conspicuous production," creating more product than generated by demand.

Overproduction will need to be replaced by a strategic approach to sustainability, which needs to be deeply rooted in luxury fashion's understanding of its audience segments, and this market's needs and expectations and for what they are willing to pay.

Knowing that an affluent consumer would gladly invest in an odor-free T-shirt versus denim made of recycled plastic will inform a brand's production and merchandising decisions. For this to happen, luxury brands need to become closer to their customers than ever before.

Then, luxury marketers can change luxury consumer perception around the quality of lab-grown leather, fur or diamonds.

**Gucci's recent no-fur policy**, for example, needs to be accompanied by information on the material that the fur will replace, and what are its aesthetic and functional advantages and quality.

Of course, Gucci's announcement on Oct. 11 yielded a fierce response from the Fur Information Council of America, questioning how replacing fur with synthetic materials was really true sustainability (**see story**).

Customer proximity should be an organization-wide requirement and an executive-level mandate.

The goal should not just be to have a sustainability strategy it should be to have a sustainable brand.

To achieve this, luxury fashion needs to go beyond launching "green capsules" public relations-driven, short-term efforts that are done once and then forgotten and instead invest in making the entire organization green.

Sustainable organizations are not siloed. Sustainability is a collective effort that unifies all steps in the value chain.

There is a great lesson in organizational innovation that luxury fashion can learn from companies such as Tesla, Reformation, Rebecca Minkoff and Facebook.

HIGH-END FASHION STARTUPS are currently beating established brands in the sustainability game. They are better organized for it, and have a better game plan.

These startups also offer lessons to established luxury players on how to move sustainability from the domain of conversation to the domain of action.

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