

Sustainable DTC brands disrupting luxury with ethical emphasis

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Image credit: MiaDonna

By MICKEY ALAM KHAN

NEW YORK While established luxury brands have been slowly incorporating more sustainable practices into their business models, affluent consumers now have a growing roster of emerging eco-conscious brands offering high-quality products ranging from textiles to skincare and jewelry.

Coresight Research's managing director Marie Driscoll moderated a panel at Women in Luxury 2019 on May 9 that featured founders of sustainable, high-end brands disrupting the luxury business. The panelists also spoke about the challenges they have faced with their nascent companies and how they have worked to reach consumers.

"Customers are expecting brands to be ahead of legislation," said Marcella Cacci, founder and CEO at [One Ocean Beauty](#), New York. "Sustainability is a necessity."

Women in Luxury 2019 was produced by Luxury Daily, with venue sponsor UBS

Ethical efforts

Each female founder on the panel has a different professional background and described the moments that led to the development of her brand.

Missy Tannen, founder and head of design and development at linen label [Boll & Branch](#), initially realized there was a gap in the market for ethically-produced, organic bedding when she was shopping for high-quality sheets for herself.

"If you're shopping for sheets, I don't think you look at everything else on the market and realize all those could be made by people making sub-wages and having really horrible lives from these sheets," Ms. Tannen said. "You're not thinking that; you're just thinking I would love really soft sheets."



The founders of Boll & Branch saw an opportunity for a sustainable company in the linen category. Image credit: Boll & Branch

Ms. Cacci had a similar epiphany when she realized how many toxic ingredients were in her cosmetics products, including those from luxury brands.

[MiaDonna](#)'s Anna-Mieke Anderson decided to help diamond mining communities after learning about the human and environmental cost behind earth-mined diamonds, including her own stone. She eventually established her

and environmental cost behind car-mined diamonds, including her own stone. She eventually established her eco-friendly jewelry company and The Greener Diamond Foundation.

"I always thought I was a very conscious consumer, but was unknowingly hurting children," Ms. Anderson said.

Although all three women run for-profit businesses, each brand also supports related causes. One Ocean Beauty has a partnership with the organization Oceana, and Boll & Branch says it is the world's leading purchaser of fair-trade, organic cotton.

To ensure a product is truly sustainable, the entire supply chain must also be ethical and sustainable.

Not only are workers in the textile and diamond industries often in harm's way, but high levels of pollution are created throughout each step in the supply chain.

A number of traditional luxury brands disclose little to no details about their supply chains and environmental and social policies, leaving room for more transparency in the industry.

Dior, Max Mara and Longchamp are among the brands that received low scores on Fashion Revolution's Fashion Transparency Index, which analyzes publicly accessible information. As consumers desire more details about the origins of the products they buy, transparency is a key component to winning and keeping their business ([see story](#))

"As business owners, we have so much information on our hands," Ms. Tannen said. "With access to work directly with factories or the villages where the cotton comes from, how could I go with traditional measures?"

Ms. Tannen and her husband personally visit the workers at their partner factories, as well as the farms where their cotton originates. MiaDonna uses recycled metals in its jewelry, and all One Ocean Beauty products come in recyclable packaging and are shipped using sustainably-sourced materials.

Ms. Cacci, who has a background in the beauty industry, also noted that advancements in packaging have made these efforts possible. Similarly, Ms. Tannen acknowledged that the quality of organic cotton has improved in the last 10 to 15 years.



From left to right, Missy Tannen, Anna-Mieke Anderson and Marcella Cacci at Women in Luxury 2019. Photo by Alice Young for Luxury Daily

As each business grows, however, the leaders face new challenges in remaining true to their ethical practices.

For instance, before committing to a partnership with Net-A-Porter, One Ocean Beauty needed to discuss the retailer's own methods of sustainable shipping.

"The larger you grow, the harder it is to oversee all aspects," Ms. Anderson said.

Consumer awareness

To be successful, these brands still have to reach consumers who are concerned about sustainability while maintaining a luxurious image.

Today's consumers expect companies across sectors to be committed to social responsibility, particularly firms in the fashion and personal care industries.

According to a report from Clutch, 65 percent of shoppers believe fashion companies should embrace corporate social responsibility. Additionally, 64 percent of respondents believe the health and beauty sector also needs to

commit to corporate social responsibility.

Brands also need to discover opportunities to share their ethical commitments with consumers ([see story](#)).

Each panelist manages a business with an online store that sells directly to consumers. While these ethically-produced products have higher price tags than items from mass-market retailers, cutting out middlemen and opting for a DTC strategy means prices can be lower than some luxury buyers have come to expect.

Additional research from Clutch showed that only 44 percent of consumers rated price or value as the most important attribute for a company. Most respondents were willing to pay more for products or services from a socially-conscious brand to an extent.

While publicly supporting particular issues can drive consumers toward a brand, the inverse is also true. Fifty-nine percent of respondents are likely to stop shopping a brand that supports an issue that is antithetical to their personal values ([see story](#)).

"My first, second, third thing I want to deliver to our customers is a beautiful experience, sheets that are on par with anything else in the luxury market," Boll & Branch's Ms. Tannen said.

"We lead with the beauty and comfort," she said. "I hope these values will just be table stakes one day."

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