

Change Fashion Workshop

Session C: Retail and Consumer

Location: Conference Room

Co-Leads:

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Retail and Consumer: Questions

Definition and Scope:

How should we define “retail” and “consumer” for the purposes of the Change Fashion Challenge?
What is the scope of this working group? What processes, products, areas, etc. will we focus on?

Current State:

What is the current state of fashion consumption and retail? What are the “hot spots”?

Ideal State:

What are the main needs and expectations from business and industry around consumption and retail?
What would the ideal state for sustainability in fashion consumption look like, assuming required solutions could be developed?

Bridging the Gaps:

Opportunities/Actions

What are the opportunities for science and technology to improve sustainable consumption of fashion?
Of these, what are the top 2-3 priority areas? (highlight in bold on the slide)

Barriers/Requirements

What are the barriers to enabling science and technology to improve sustainable consumption of fashion?

Priority Areas (up to 3):

For each area:

- What are the key scientific issues? What are the key research questions that need to be answered?
- What are the critical areas for innovation?
- What data is needed and what are the gaps in data currently (reliability, integration, frequency)?
- What would a research roadmap look like (key actions)?
- What would success look like?
- What are the next steps?

Retail and Consumer: Definition and Scope

Definition:

There is NOT one definition for sustainability as it relates to consumer behavior

Scope:

Our scope was based on what consumers want from fashion and what the cost of NOT being sustainable is to the brand

Retail and Consumer: Current State

- What consumer want:
 - Experience/Pleasure, Convenience, Feel Good, Creating Personal Brand Identity
 - Value, Price
- Trade Off's to Being Sustainable
 - Consumers are not willing to make a trade off for what they want;
 - The perception is that there is a trade off, but the research says otherwise depending on business model and use; there may be a trade off at the time of purchase

Retail and Consumer: Current State

- What are the costs of NOT being sustainable?
 - Supply Chain Costs: upfront investment, labor, quality
 - Brand costs: time, trust, up front investment, labor, quality
 - Societal Costs: environment, health, human rights, waste, consumer debt
- There is money in being sustainable, but the company must show that to their shareholders
- “This is how it has always been”; need to challenge new systems
- There may NOT being any costs depending on timeframe; in the short term there are no costs; but in the long term there are multiple costs

Retail and Consumer: Ideal State

- Completely Circular: raw material, customer buys, brings back, company resells or reuses (maybe completely unrealistic)
 - Barriers: inventory; space, overhead costs, highly manual; getting clothes back, reward systems, can't turn it around fast enough; we will run out of resources
- Leasing Model /Clothing as a Service/Subscription Model
 - Barriers: technical problems in design and chemicals (does not look new post wash); recycling/up-cycling
 - Opportunity: may be various business models within this model

Retail and Consumer: Ideal State

- Made to Order /Mass Customization
 - Opportunities: 3-D Printing; ability to deliver what the consumer wants on demand; consumer can print their own clothes
- Micro-Strategies
 - Each Brand has their own strategy – market to your specific customer
 - Brands look at operating costs (shipping; reduce samples;
- Cost Neutral to the Brand
 - Drive research towards brand being cost neutral costs/margin so consumer does not realize they are being sustainable, but they look, feel and are 'cool' and get what they want out of their fashion experience

Retail and Consumer: Bridging the Gaps

Opportunities/Actions:

- **Make it Cool...**
- **Cost Neutral – take capital expenditure out**
- **Transparency – creating the FDA Seal for Clothing**

Barriers/Resource Requirements:

- **Not Cool**
- **Legislation**
- **Transparency**
- **Costs – fast fashion is only choice**
- **What is the definition of sustainability?**

Ultimate Conclusion

- Changing Consumer Behavior is very difficult;
- Analyze through science the long term costs of sustainability
- Change business model to maximize value so company is sustainable, but customer does not have to know
- Multiple business models; micro strategies for each model which will change consumer behaviors without their knowing it; match your strategies to your consumer segment
- Data analytics/research on those companies that are sustainable and how they emphasize margin over cost; what are the qualities of their customers?