

LUXURY FOR THE MASSES:  
WHY WE CAN'T ALL  
HAVE IT ALL

by

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HAVE IT ALL

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## ABSTRACT

This study focused on the growth of luxury fashion brands and the impact of this growth on the rest of the fashion industry. Specifically, I examine how luxury brands introduced the commodification of fashion and laid the groundwork for the entrance of fast fashion retailers. Furthermore, I discuss how this transformation affected not only the fashion industry, but also the consumer and the environment. After evaluating each of these elements, I present the slow fashion movement as a sustainable and viable alternative to the current state of the fashion industry. Through theoretical support, an analysis of consumer demographics and psychographics, and a thorough investigation of current trends in the fashion industry, slow fashion emerges as the best solution for reinventing the fashion industry and amending the distortion that has occurred within it.

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## INTRODUCTION

Luxury fashion brands grew significantly in the past few decades. Designer fashion houses combined to form conglomerates, issued licenses in order to expand into new product categories, and collaborated with companies like Target to create capsule collections. As a result of this growth, luxury fashion brands became increasingly available for mainstream consumers as opposed to a wealthy and secluded niche market. This new accessibility increased demand for runway fashion at affordable prices, thus shortening the fashion lifecycle. Fast fashion companies such as H&M and Zara then emerged in order to satisfy this demand, providing high-fashion designs immediately after they were debuted on the runway. At first glance, this democratization of fashion seems to be the most equitable option; yet, the fashion industry has suffered significantly because of it. Consumer perceptions of price and quality became warped, clothing grew to be seen as a disposable good, and luxury brands themselves suffered from low-cost imitations and greater exposure to economic cycles. Now, a movement called slow fashion is underway, a movement aimed at reclaiming the fashion industry and establishing a conscientious approach toward the act of buying clothes.

At both high and low price points, research has been conducted to discover what motivates consumers to buy and what marketing methods are most effective to reach them. The topics of luxury fashion, fast fashion, and eco-friendly fashion have each been analyzed individually in this respect. As the well being of the environment has become a more prevalent issue, researchers have begun to investigate consumer traits that lead to environmentally friendly practices and sustainable consumption. Researchers are increasingly interested in examining the responsibilities of the fashion industry as far as

cultivating eco-friendly purchasing behaviors. In the fashion industry, post-consumption behaviors as well as the amount of waste generated by the production and consumption of fashion apparel and accessories have also been studied.

Although significant research exists for each of these individual topics, a gap exists in current research when it comes to explaining the interrelationship between these forms of fashion. This paper will establish the connections between luxury fashion, fast fashion, and slow fashion in order to explain the growth in fashion consumption. First, the branding of luxury fashion will be explained. Next, the influence of this branding will be discussed as it relates to the emergence of fast fashion. The following section will describe the impact of fast fashion and how it led to the current state of the fashion industry. Finally, slow fashion will be introduced as a viable method to counteract the underlying issues related to luxury branding and fast fashion and create a more sustainable future for the fashion industry.

## **THE INDUSTRIALIZATION OF LUXURY FASHION**

### **The Beginning**

Luxury can be defined in many ways. According to Han, Nunes, and Dréze (2010), luxury includes “goods such that the mere use or display of a particular branded product brings the owner prestige apart from any functional utility.” Klaus Heine extrapolates this definition to define luxury brands: “images in the minds of consumers that comprise associations about a high level of price, quality, aesthetics, rarity, extraordinariness, and a high degree of non-functional associations” (Heine, 2012). One commonality between these definitions is the element of non-functional utility: a luxury product provides a consumer with intangible assets in addition to its functional value. In

fact, a product's objectively existing attributes do not determine its luxuriousness (Heine, 2012). Instead, subjective perceptions about those characteristics and the level of desirability they incite in consumers reign supreme. When consumers pay significantly more for a luxury product than a cheaper alternative, they receive association with the brand and all it stands for in addition to the material good they purchase. For this reason, luxury goods are often called "positional goods" because they signal that the owner has achieved a certain social status in order to acquire them (Heine, 2012). This desire for association with the luxury image can be a very powerful force in purchasing decisions and is essential to the existence of the luxury market.

In the fashion industry, the pinnacle of luxury is haute couture. Literally translated as "high dressmaking," haute couture represents the most elegant, intricate made-to-measure clothing for high-profile clients. The first couturier, Charles Frederick Worth, established his couture house in 1858 after creating a wardrobe for Empress Eugénie (Agin, 1999, p. 22). Demand for such exquisite garments grew, so the French government helped organize the couture industry (and thereby boosted its economy) by establishing the *Chambre Syndicale de la Couture Parisienne*, the trade group responsible for promoting high fashion (Agin, 1999, p. 23). The goal of haute couture certainly was not to dress everybody – the lofty prices and the couturiers' decisions about whom to dress both demonstrated a desire for exclusivity. In fact, many of the brands developed from couture houses initially believed marketing or advertising of any kind would cheapen the brand. For some, this legacy continues: to this day, Hermès does not have a marketing department (Adams, 2014).

Sequestering luxury for a small segment of the population is not a new concept. For centuries, sumptuary laws have been in place to delegate the privilege of wearing luxury to a few worthy individuals. Sumptuary laws were government efforts aimed at regulating public attire, designating which social classes were allowed to display certain articles of luxury (Ponte, 2009). In Ancient Rome, for example, red was the color of the highest class, and purple was reserved for the emperor. Later, in 17<sup>th</sup> century France, Cardinal Richelieu enacted sumptuary laws that made certain luxuries, such as garments with ermine fur, exclusive to royalty. These laws were portrayed as methods of restricting wasteful spending and protecting an individual's meager resources in medieval times, but their true agenda was to guard social boundaries in a rigid class system (Ponte, 2009). Therefore, throughout history luxury has been allocated to a very small group: if this had not been the case, it would not possess the exclusivity that is crucial to its very existence. In reality, sumptuary laws were not successful at policing the consumption of luxury. Instead, they promoted deviant behavior as individuals belonging to lower social classes gave into the temptation to display luxury and elevate their social standing. What this suggests is that a very high level of demand for luxury was floating right beneath the surface, unable to express itself due to the legal restrictions of a rigid social hierarchy.

### **US Demand for Luxury Apparel**

Over time, legal restrictions began to wane and fashion slowly became available for the masses. As the American ready-to-wear industry grew, "the notion of style and fashion increasingly appealed to a broader range of socioeconomic classes" (Hill, 2007, p. 5). In the late 19<sup>th</sup> century, the Industrial Revolution aided this process by creating more economical printing services and improving methods of distribution, allowing

magazine publishing and circulation to flourish. Between 1890 and 1910, more than seven thousand magazine titles were published (Kery, 1982, p. 24). The women's magazines during this time focused primarily on the traditional roles of women as wives and mothers and often included paper patterns, allowing women who could not afford or did not have access to private dressmakers to be dressed in the latest fashions (Hill, 2007, p. 3). As these detailed interpretations of French couture fashions became more available to the general public, demand for such designs grew. Consumers finally had access to a world that, previously, was only available to the social elite.

Initially, advertising in fashion magazines was minimal. Historian Frank Rowsome noted that until the end of the 1800s, "Publishers commonly believed that advertising was a marginal, not quite respectable business practice – a sign of commercial distress, something engaged in just as bankruptcy loomed" (Rowsome, 1959, p. 23). Eventually, however, magazines gave into the enticements of the revenue that could be generated by fashion advertising. Soon, ready-to-wear manufacturers such as Ward's, Sears, Wanamaker's and Penney's were producing "wishbooks" containing hundreds of pages of ads (Kery, 2007, p. 6). Women who were previously at least a season behind Paris fashions were able to stay up to date on the newest trends. This increase in advertising was a trend that continued throughout the 20<sup>th</sup> century and into the new millennium. When *Vogue* was transformed from a social gazette into a fashion magazine in 1911, the September issue contained 51 pages of advertising: by 2002, this number had soared to 574 (Kery, 2007, p. 12).

Fashion advertising originally had nothing to do with educating the consumer on issues of style and taste, nor did it focus on brand development. When the industry was

still young, “The wonders of ready-to-wear clothing were introduced not in an extravagant and ineffable aura of style, but with highly developed rationales and prudent, persuading voices and images” (Martin, 1995, p. 253). Advertisements focused on the more sober elements of cost, making a sound investment in one’s appearance, and dressing appropriately for social situations (Martin, 1995). At this time, fashion items were still just objects, as in any other consumer category. The element that eventually set fashion apart was its position as a conspicuous consumer good. This distinction – the same one that led to the establishment sumptuary laws – allowed fashion advertising to thrive. Advertising, which was once deemed a contemptuous practice, unleashed consumer demand for fashion. Thus, a “symbiotic, tripartite relationship” between clothing mass production, fashion journalism, and mass-media advertising was established, a relationship that went on to influence American culture and redefine the way Americans related to the fashion industry (Kery, 2007, p. xi).

### **Growth of Luxury Apparel Branding**

The combination of these elements demonstrated to luxury brands the hidden potential in leveraging the power of luxury fashion. To satisfy the increased demand for high-end fashion, luxury brands began licensing their names and creating lower-priced bridge brands. By offering goods at lower price points, luxury products became available in places where the mass market shopped – consumers didn’t have to travel to Paris or Milan, they could drop by their local Nordstrom or Neiman Marcus to find what had typically been highly exclusive brands. The most successful product categories for luxury brands quickly became accessories and perfume. Being the most widely accessible price points a luxury brand could offer, these were the primary outlets

for allowing consumers of all income levels to buy into the world of luxury and own a piece of the dream. In addition, these lines quickly became the arms of the business on which luxury brands depended for profits. Couture products could not compete with the sales volume of these less expensive alternatives and, therefore, became less critical to a brand's success: what luxury was originally known for ultimately slipped into the background.

Licensing provided seemingly endless opportunities for brand expansion. Luxury brands could allow a company in almost any product category to use their name and then collect royalties without having to expend resources on production. Many brands took advantage of licensing in the second half of the 20<sup>th</sup> century and, initially, reaped significant rewards. The lucrative margins generated by these agreements attracted business-minded individuals to the world of fashion. Bernard Arnault, Chairman and CEO of LVMH Moët Hennessy, for example, was a complete outsider to the industry before building his portfolio of luxury apparel brands. Other individuals followed suit and caused a shift in the fashion industry, which until this point had focused on stylistic innovation rather than profitability: satisfying the growing demand for fashion, not trying to create it. Arnault echoed the sentiment shared by luxury conglomerates when he said, "The reason to be a designer is to sell. Fashion is not pure art. It is creativity with the goal of having as many customers as possible wearing the product" (Agin, 1999, p. 52). Growth quickly became the measure by which success in the luxury market was calculated. Luxury conglomerates sought out every possible method to acquire the luxury margins they yearned for, and this meant finally bringing luxury fashion out of France, out of the top tier of the fashion industry, and introducing it to the rest of the world.

While anticipating the massive costs of global expansion, one option emerged as a particularly attractive solution for raising capital: turning these privately held brands into public companies by listing them on the stock exchange. Over time, this enhanced access to funding led many brands to go public: the “share of luxury brands held by individual entrepreneurs or families declined from 45 percent in 1995 to 30 percent in 2011” (Johnson, 2015). For luxury conglomerates there existed an added advantage in that they were not required to disclose specific data for each of their brands. Rather, they could group all of their brands together and present one umbrella report of their portfolio. As long as the overall picture was presentable, the ebbs and flows of each individual brand’s business did not bring harm to stock prices. Fashion companies, and luxury brands in particular, were initially tempting investments due to their potential market reach. Luxury fashion, though seen as a bigger risk due to its extravagant price tags, enticed investors with the potential for earning bigger rewards. Additionally, fashion is something in which every person takes part and it is constantly updated – from an investor’s perspective, its capacity for growth appeared inextinguishable.

For what seemed like such a promising opportunity, going public had many unforeseen consequences for luxury brands. The most prominent issue was that fashion itself is an inherently risky business: past success does not guarantee future results. As Teri Agins observed in *The End of Fashion*, “Publicly traded fashion companies had to meet a financial standard, which by definition is at odds with what is traditionally defined as fashion: that is, a trendy and unpredictable product” (p.245). Whereas companies in the technology industry can build off of previous innovations, fashion is expected to bring entirely new innovations to the market each season. Coco Chanel captured this

concept when she said, “Fashion is made to become unfashionable” (Lee, 2003, p. 32). Suddenly brands were faced with not only the challenge of creating new collections each season, but also the pressure to consistently grow sales and profits in order to satisfy shareholders. Attempting to satisfy the needs of both the designer and the investors led to a conflict of interests because “pressure from investors to continually post quarterly growth can also lead to the kind of short-term thinking that has negative effects on the way a brand is managed, devaluing long-term desirability in favor of near-term growth” (Johnson, 2015).

One way to accomplish this task of profit growth was by cutting costs within the supply chain. At first this led to the centralization of buying operations and vertical integration of the supply chain, but the changes did not stop here. Fashion experienced the beginning of what would become a radical shift toward commodity merchandise. In what Dana Thomas dubbed “the industrialization of creation” (Thomas, 2007, p. 164), the fashion industry oriented itself toward clothing that sold predictably, essentially doing everything in its power to provide the consistent results shareholders were demanding. Furthermore, companies began cutting back on their products’ ingredients and packaging, slowly chipping away pieces that contributed to the luxury experience. As Jean-Claude Ellena, the nose behind Hermès’s perfume, said, “You can’t earn enough in raw materials” (Thomas, 2007, p. 161). Nor can you earn enough by investing resources in every little detail, such as elaborate crystal perfume bottles and extravagant packaging. The problem luxury brands kept running into was that fashion was never meant to be consistent – certainly not luxury fashion. When these measures still weren’t enough to impress shareholders, luxury companies shifted their focus to the retail side of the

equation and began seeking help from a new kind of customer, one who didn't reside comfortably in the highest income bracket.

### **Strategic Efforts to Build Consumer Demand**

Luxury brands had to change their methods drastically to reach these new consumers and find ways to incorporate them into the world they had created – a world previously dedicated to a very small niche market. Suddenly, marketing became a very vital component of a brand's strategy – contrary to the long-held belief that marketing would cheapen the brand. At the core of this initiative was the creation of an emotional attachment between consumers and the brand, which, not surprisingly, came quite easily to luxury retailers. By touting the world of luxury as a realm that was actually within reach of average consumers, luxury brands fulfilled their deep-seated desire to belong. To further this attachment, brands transformed their creative directors into celebrities, the most notorious example being Tom Ford for Gucci. By giving consumers a real person to connect with the brand's identity, it became possible for them to identify the lifestyle associated with each brand and to understand how to shape their consumption to bring themselves closer to achieving that lifestyle. Joining this trend was a rise in celebrity dressing and product placement in the media, all aimed at helping consumers envision ways they could incorporate the luxury world into their everyday life rather than reserving luxury for special occasions. Luxury brands cultivated this desire to belong until it finally manifested itself in consumers' purchasing behaviors.

The next step for luxury brands was to achieve physical proximity to this new consumer. Through designer collaborations with retailers such as Target and H&M, luxury brands not only found their way to a new market, but they entered stores that

generate significantly more foot traffic than traditional luxury retail outlets. Since its first collaboration with Isaac Mizrahi in 2002, Target has since hosted names such as Jason Wu, Missoni, Alexander McQueen, and, most recently, Joseph Altuzarra (La Ferla, 2014). Lately, designer collections have been part of an effort to restore good will toward the company, but in general they allow Target to draw from the credibility of a luxury name and assert itself as more of a style authority over its competitors (Kumar, 2014). Similarly, H&M has routinely offered capsule collections: its first was the collaboration with Karl Lagerfeld in 2004. H&M has since worked with Stella McCartney, Madonna, Versace, and Beyoncé to offer high fashion without the high price tag (H&M: Our History). These collections have been offered in limited quantities, attempting to create a sense of exclusivity while still selling to the mass market.

To further increase a brand's exposure, luxury retailers turned to what was for a long time their only marketing method: the fashion show. This event used to be primarily a sales event – shows would last as long as an hour and buyers would linger afterwards to meet with the designer, inspect the garments, and place their orders. Now, a twenty-minute show is considered too long and the product is not necessarily the focal point. When Gareth Pugh was asked about his Spring 2015 show at New York Fashion Week, which consisted of a modern dance performance and none of his clothing designs, he answered, “We didn't want to push product. We didn't want to sully the moment” (Binkley, 2014b). William Rast presented his line, Noble, in a ten-minute fashion show preceded by a ninety-minute performance with dancers and acrobats. More than ever before designers are using fashion shows as opportunities to develop the emotions surrounding their brands. Their main focus is building narratives to create more

meaningful connections between the audience and the brand, rather than promoting specific garments and their temporary existence.

### **Erosion of Luxury Brand Equity**

Each of these methods eventually came to a point of diminishing returns. Licensing agreements saturated the market with luxury names and no longer benefitted brand image. Product categories became so varied that it was impossible to monitor whether every licensee was continually meeting luxury's strict standard of quality. Brands lost control over their clientele as they saturated the market, leading to a less powerful brand image. In the 1980s for example, Cardin had over 800 licenses (Agins, 1999, p. 30). Luxury brands turned themselves into household names and stripped away the exclusivity that had always acted as the foundation for their lofty position within the fashion industry.

As the tangled web of licenses drove many brands to their ruin, they discovered that the only way to return to profitability and regain their original stature was to cancel these agreements. LVMH reduced Dior's licenses "from 300 to a handful," Valentino terminated 40 licenses and established a goal of reducing royalties from 60% of revenue in 1999 to 9% by 2002, and Gucci cleaned up enough of its licenses to ensure that 80% of its revenue originated in its own stores (Menkes, 2000). Domenico de Sole, Gucci's president during the brand's repositioning process, said, "You need to be in control of product and distribution; it is impossible to protect the brand if you have too many licenses" (Menkes, 2000). As Neil Fiske and Michael Silverstein stated in *Luxury for the Masses*, "The dual challenge for old-luxury brand extensions is to continually enhance the brand at the high end and avoid diluting its essence at the low end" (p. 57). Before

seeking out new customers, luxury brands had never needed to find this balance.

Therefore, they were terribly unprepared when it came to providing sufficient support for the brand at multiple levels.

Designer collaborations with mass-market retailers also dilute the essence of luxury. Although luxury brands saw these partnerships as a way to capture younger consumers and allow them to grow with the brand, a \$50 designer-label dress at a mass retailer like Target or H&M is a steep departure from a hand-beaded and embroidered couture gown made with one special client in mind. In this way, brands encouraged consumers to purchase disposable versions of luxury, distorting their perception of what luxury traditionally embodied. This also trained the consumer to see top designers as direct competitors with bargain brands, a very dangerous correlation for designers as they strive to keep their brand image intact.

Finally, the reality of using fashion shows as branding tools means that they are no longer profitable. Mr. de Betak, whose firm produces fashion shows for Dior, Rodarte, and Michael Kors, mentioned that shows can cost anywhere from \$100,000 to a few million dollars (Smith, 2014). Between couture collections and exclusive fashion shows, neither one contributes directly to a brand's bottom line. Their main purpose is to attract attention and get people talking about the brand. Standing out from the crowd has become increasingly challenging as more designers choose to show their collections – not only those for the traditional Spring/Summer and Fall/Winter fashion weeks, but also their mid-season collections. In the past these were displayed in a designer's showroom without much commotion (Smith, 2014). Now we are faced with what Anna Wintour described as "...a seasonless cycle for fashion" where the competition to be memorable is

fierce (Thomas, 2007, p. 316). Furthermore, the consumer is constantly inundated with images of what is new in the fashion world: they have learned to look ahead at what is next, and they do so with very high expectations.

This has greatly impacted the role of a designer. As Alexander Wang admitted, “Sometimes...as a designer, you get into this trap of thinking about clothes for a picture rather than what’s going to go into the market or showroom” (Schneider, 2014). Shows are orchestrated to cater not only to the audience who is physically present, but also to the one who will see the show as a series of pictures on Instagram and Twitter. As the importance of the overall experience of a fashion show shifts the focus away from the product itself, the measure of a creative director’s success is changing simultaneously. The ability to market the brand is now a more valuable measure of a designer’s worth than is his ability to design clothing. This concept alone is enough to change the attributes as well as the overall caliber of the clothing presented at fashion shows - besides, as noted by Dior’s creative director Raf Simons, “people can’t see what couture is very well on a computer screen” (Schneider, 2014).

The combined effect of these changes has completely transformed the definition of luxury as understood by the modern day consumer. By turning attention away from the product at fashion shows and by promoting cheaper versions of luxury designs as true representations of the brand, brands have led consumers to believe luxury resides solely in the name behind a product, rather than in the quality of its construction, presentation, and of the environment in which it is sold. Lower quality garments also require more frequent replacement, preventing consumers from experiencing the longevity normally associated with luxury goods. Luxury brands encourage these discontinuities with their

increased marketing efforts, and the net effect on the consumer is a distorted concept of luxury. Brands further contribute to this misconception by offering a constant flow of new merchandise in an effort to increase store traffic and drive sales. Currently, the price of true luxury is incomprehensible to most consumers – it made sense when luxury referred to a memorable store experience and iconic pieces that lasted several years, but it is unreasonable to expect consumers to pay more for an item that is carelessly displayed and will lose its relevance after just one season.

As a result of the tension between consumers' desire for luxury names and their expectations of low prices, a market for imitation goods flourished. This market is composed of two types of products: counterfeits and knockoffs. Counterfeit goods imitate what is genuine with the intent to defraud the consumer whereas knockoffs are imitations that do not carry the original brand. Knockoffs are made with lower cost materials and production methods in order to be sold at lower prices (Kunz & Garner, 2011). With such high demand for luxury goods, it was only a matter of time before someone discovered how to capitalize on this gap in the marketplace. As Georg Simmel stated in his discussion of fashion, "The more extensively a commodity is subject to the swift changes of fashion, the greater the need will become for cheap versions of it" (Simmel, 1957, p. 544). Imitations of luxury goods became the mechanism that allowed consumers to identify with the group to which they aspired without creating a financial burden.

The most efficient way to acquire this perception of an elevated social standing is explained through Veblen's theory of conspicuous consumption, which states that possession of money and power has to be visible to have meaning (Svendsen, 2006). Counterfeit products bear the markings of the original products they seek to imitate, but

knockoffs have a slightly altered version of a brand's highly recognizable logo – from a distance, the difference is imperceptible and, therefore, the altered logo serves the same purpose as the real thing. As counterfeit goods inundated the market, luxury effectively became defined as the visible logo of a brand rather than the craftsmanship, quality, and tradition that created the brand. Ironically, brands originally began using logo-heavy prints because they could be protected. Since a logo qualifies as intellectual property, a fabric incorporating the logo as an essential element is arguably property of the brand as well. Louis Vuitton's monogram canvas, for example, was launched in 1896 and patented in order to protect against counterfeits (Louis Vuitton: A Legendary History). This practice was adopted by many other brands throughout the 20<sup>th</sup> century and ultimately allowed the market for knockoffs to flourish, laying the foundation for the current state of the fashion industry, one driven by a phenomenon known as fast fashion.

## **A NEW DEFINITION OF LUXURY**

### **Fast Fashion: Luxury's Newest Competitor**

Fast fashion embodies another of Simmel's theories that declares the faster fashion develops, the cheaper the items become, and the cheaper the items become, the faster fashion develops (Svendsen, 2006). This segment of the fashion industry focuses on the mass market: delivering an enormous volume of merchandise at impossibly low prices. Fast fashion companies have been accused of copying runway designs and delivering them to the market several months before the original designers, who, due to the nature of their product, cannot match such rapid turnaround times. In fact, fast fashion has also been referred to as "McFashion" because of the speed with which gratification is provided to the consumer (Joy, 2012, p. 276). At Zara, a team of 350 designers generates

nearly 40,000 designs per year, a quarter of which actually make it into production (Dutta, 2002). A collection can go from initial conception to factory production in just three to four weeks, and store replenishment orders can be fulfilled – meaning new product is on the selling floor – within 48 hours (K. Chu, 2014). This model relies on a constant flow of new merchandise in limited quantities, two factors that encourage impulse purchases and help drive sales volume to unimaginable levels.

Fast fashion companies elude the legal consequences of design piracy by selling knockoffs, eliminating any elements of protected intellectual property. Designs are taken from the runway, filtered through the design team, and presented to the customer with enough of a twist to prevent an arguable case for infringement. With the speed and flexibility with which fast fashion companies can react to trends, and with the volume of goods offered, fast fashion has transformed the idea of what it means to be “in fashion.” The focus is no longer on the qualitative characteristics (carrying an identifiable logo) but rather on the quantitative characteristics (how many clothes a person has). These companies have permitted consumers to indulge themselves: not only can they have pieces that are very similar to those coming down the runway, but they can also buy much more than they would have been able to at a luxury price point. While the production of unoriginal designs is frowned upon, fast fashion discovered how to imitate luxury fashion and distribute it to the consumer faster than the luxury brands themselves.

On the surface, luxury and fast fashion seem to be two completely separate facets of the fashion industry, yet a closer analysis reveals how deeply intertwined these segments truly are. Fast fashion could be viewed as a student of luxury fashion: learning from the history of luxury in order to take advantage of it. For example, luxury brands

introduced the idea of vertical integration within a fashion supply chain; fast fashion took this idea to a new extreme. With Just-In-Time Manufacturing, Quick Response Systems, and Agile Supply Chains, fast fashion companies have removed the inefficiencies from the supply chain to shorten lead times as much as possible, maximizing their competitive advantage (Liz & Gaynor, 2006). Furthermore, as luxury adapted itself to become available at lower price points, consumers came to believe it was okay to compromise on quality. This necessitated more frequent replacements of one's wardrobe, a need fast fashion companies recognized and filled. Fast fashion is fundamentally better equipped to cater to the customer created by luxury brands than these brands are themselves. Not only has this changed the identity of the fashion consumer, but it has transformed the makeup of the entire fashion industry as well.

### **The Effects of Fast Fashion on the Industry**

The definition of fashion has suffered immensely throughout this shift toward commodity merchandise. Fashion used to refer to designer innovations: the introduction of new silhouettes and details of the highest quality that redefined the frontiers for apparel. Now, every product at every price point is labeled "fashion" (Agins, 1999, p. 185). With the influence of shareholders weighing heavily on design decisions, designers focus primarily on minimizing risks. Consequently, there is little differentiation between brands as they all try to appeal to as many customers as possible. This stems from "the assembly-line, bottom-line apparel of the nineties that shoved fashion forever aside" (Agins, 1999, p. 178). In Bridget Foley's article for *Women's Wear Daily* (2015), she described how this shift has become apparent during awards season, saying, "awards season is about fashion, and that fashion (I use that hallowed word oh-so-lightly) has

become a bore.” She then posed the question, “Why is it a win for a major fashion house to be cited for producing a pretty, mundane dress that looks interchangeable from other pretty, mundane dresses produced by other major houses?” (Foley, 2015) The extravagance and excess that were always essential components of couture design are translated entirely differently in the fashion industry of today: now, excess applies to the amount of consumption, a measure used as a consolation for the lack of extravagance and individuality in each garment.

The volume with which the fashion industry is now involved has created logistical complications as far as where to store the merchandise being produced. The ultimate goal of course, is for all goods to land in the hands of consumers. However, achieving this goal can sometimes prove elusive. With constant production, there is never any lag time between shipments. For example, each Zara store places orders twice a week and has as many as twenty seasons, or new collections, each year (K. Chu, 2014, Liz & Gaynor, 2006). Moving old inventory out of the store is therefore critical to operational success. If apparel does not receive an immediate positive reaction from consumers, it is marked down and moved out as quickly as possible (Agins, 1999, p. 191). Markdowns have become a way of life in the fashion industry, a catchall solution for whatever problem new merchandise may present. While serving as an effective short-term method for moving product, markdowns have negative long-term implications on consumers’ mindsets when they evaluate prices.

### **Changes in Consumer Perceptions of Fashion**

Consumers have come to expect sales and clearance events, viewing original retail prices as being suspiciously high. Ironically, clearance sales drive consumers to

purchase larger quantities of clothing simply because each individual piece is priced cheaply. This concept places consumers in a Catch-22: they won't pay a higher price for quality pieces, but they'll pay a comparable amount to purchase many more garments at lower prices. These garments, due to their lower quality, will need to be replaced more frequently and, therefore, cost more over time. Consumers demand these low prices, which drive down the quality of the apparel they purchase. The planned obsolescence of this merchandise is what helps drive the volume required for fast fashion companies to survive by bringing consumers back into the store to replace the low quality items they purchased cheaply and in bulk. The short-term gratification of the experience of consumption overshadows the reality that the process will have to be repeated several times over and will ultimately be more expensive than investing in high-quality pieces from the beginning.

This attraction to low prices has altered consumers' definition of quality and their ability to recognize a fair price. When purchasing a cheaply made item, it only has to be good *enough*. Consumers do not expect their garments to last more than one season and therefore have very low expectations for the return on their investment. Clothing is now seen as a disposable good, whereas it was once a possession treated with utmost care. As the useful life of garments decreases and the need to replace those garments increases, "It could be concluded that consumer demand is such that they are willing to sacrifice some elements of quality and design content in favor of having a particular style or look faster" (Liz & Gaynor, 2006, p. 268). The exaltation of the experience of purchasing something new is now more central to a consumer's purchase decision than the long-term

functionality of that purchase: newness is valued more than longevity. In other words, quantity is more important than quality.

### **Competitive Challenges for Luxury Brands**

A close examination of these effects reveals how luxury's expansion plans backfired. In order to reach their new customer, luxury brands now have to compete with a plethora of competitors who had previously operated in entirely different spheres. Though their capabilities were previously underestimated, these firms have proven to be very competent contenders. As Michelle Lee stated in *Fashion Victim*, "McFashion has not only made knockoffs profitable, it's made them an entire industry more lucrative than innovative fashion design itself" (2003, p. 86). The need to satisfy the desires of consumers has quickly revealed the boundaries of luxury fashion in terms of its production capabilities. Consumers highly value instant gratification. In the fashion industry this means "Fads, magnified and fueled by social media, now move around the globe faster than manufacturers of handmade luxury goods can respond" (Binkley, 2014a). Jimmy Choo experienced this dilemma firsthand when one of its styles appeared on a Korean soap opera and promptly sold out in both China and Seoul. It took four months for Jimmy Choo to manufacture more of this particular shoe and deliver the product to stores, simply because it is inherently impossible to shorten the lead-time for handmade luxury goods. Immediate responses to consumer preferences have become critical to the success of fashion companies; brands that react slowly miss out on sales and eventually come to be seen as irrelevant as they lose touch with the new, fast-paced consumer.

Not only is it more difficult for luxury brands to win over the aspirational consumer who now makes up 60% of the demand in the luxury market, their efforts to expand have also alienated their original customers (LVMH in the Recession: The Substance of Style, 2009). Consumers typically choose branded products based on their desire to associate or dissociate themselves with the typical brand user (Han, Y. J., Nunes, J. C., & Drèze, 2010). As luxury brands have attempted to grow and include a greater variety of consumers in this category, they have decreased the value of their products as dissociative status symbols (Han, Y. J., Nunes, J. C., & Drèze, 2010). When a handbag is equally likely to be seen on the arm of a wealthy socialite as that of an individual earning minimum wage, it no longer serves the purpose of differentiating the two consumers or signaling their membership to a certain social class. Without this capability, consumers who would typically pay the premium for luxury begin to devalue the brand and search for other products to satisfy their need for exclusivity (Zheng, Cao, Dai, & Chiu, 2013). Target market expansion initially satisfies sales goals by increasing volume, but it also has the ability to negatively impact brand equity by diluting the potency of a brand's image. Luxury brands now struggle with finding a balance between increasing market share and degrading their brand value (Zheng, Cao, Dai, & Chiu, 2013).

Financially, luxury brands have exposed themselves to the ebbs and flows of the economy by reaching out to lower income brackets. Originally, luxury operated in a niche market; though small, this group of clientele had very reliable funds. Now, luxury depends on a consumer who pays particular attention to the health of the economy and uses this as a guide for her purchasing decisions. Staying relevant in times of economic

hardship is especially difficult for luxury brands since consumers tend to focus on necessities and become hypersensitive about price. This, combined with a decreased sense of loyalty from original customers due to brand dilution and an inability amongst new customers to understand the level of quality behind a luxury price point, has proven to be a significant challenge for luxury brands. The culmination of the effects of brand expansion has thrown luxury into an arena where it was never meant to compete, where it has had to scramble to adapt. The consequences, however, do not stop in the world of luxury. They are widespread and have deeply penetrated the entire market for fashion goods.

### **Global Implications of Luxury Brand Expansion**

Luxury brand expansion has transformed the landscape of the fashion industry into one that is unrecognizable and highly unsustainable. As Kal Raustiala and Chris Spigman posit, “The fashion industry’s business cycle is driven forward by consumer demand for the new, and the entire process is fueled by copying” (Cline, 2012, p. 103). The business model for an entire segment of the industry (fast fashion) is now based on copying, causing trends to emerge and disappear at previously unimaginable rates. In order to satisfy the constant need for new products, the “cascade of innovation from the high-end market to the middle market grows increasingly shorter” (Silverstein & Fiske, 2003, p. 273). Brands who don’t frequently introduce new collections quickly become irrelevant to the consumer, especially when compared to companies like Zara, whose inventory turn is 2-3 times the industry average (Dutta, 2002). Increased clothing production leads to increased textile waste, not only at the point of contact with the consumer but throughout the entire supply chain as well.

Since modern consumers focus on quantity over quality, low prices are more important than the degree of care taken in the construction of the garments they purchase. J Crew CEO Mickey Drexler highlighted this issue from the retail side as well, saying, “Retailers are selling price and I don’t think they’re selling quality at the level they need to. They don’t care about quality and fit – that’s quite widespread around the marketplace” (Moin, 2014). Therefore, “clothing is reverse-engineered from the price consumers are willing to pay” (Cline, 2012, p. 88). Since 1978, the Consumer Price Index for all items in general has risen at a steeper rate than the indexes for apparel and shoes, indicating that retail prices for these goods are artificially low (“Fashion,” 2012). Between 1978 and 1998 apparel prices rose 62 percent, then declined through 2005 and have remained steady since (“Fashion,” 2012). To find these low prices and stay competitive, clothing companies are pressured to move their production overseas. According to the National Council of Textile Organizations, around 650 textile plants closed in the United States between 1997 and 2009 (K. Ellis, 2015). This trend is wiping out the American garment industry because the price of domestic production seems outrageous to most consumers (Cline, 2012, p. 59).

However, just because the price the consumer pays is not all-inclusive does not mean the end product is really less expensive. Instead, part of the cost is externalized, usually being absorbed by garment workers overseas. According to the Workers’ Rights Consortium’s study on global wage trends for apparel workers, “Prevailing wages in 2011 for garment workers in China, Vietnam, and Indonesia provided 36 percent, 22 percent, and 29 percent of a living wage, respectively” (“Global Wage Trends for Apparel Workers, 2001-2011,” July 2013). In Bangladesh, wages constituted only 14

percent of a living wage, which is defined by the International Labor Organization as “one that permits a basic but decent life style that is considered acceptable by society at its current level of economic development...such that workers and their families are able to live above the poverty level, and...participate in social and cultural life” (“Global Wage Trends for Apparel Workers, 2001-2011,” July 2013). The pressure from retailers to cut costs and meet production deadlines has led many factories to abandon safety standards and ignore workers’ rights, leading to catastrophes such as the collapse of the Rana Plaza factory in Bangladesh in 2013. In this incident, out of the 3,500 workers in the building, over 1,100 were killed.

Due to the constant influx of new trends, speed to market is now a determining factor in a fashion company’s success. Overall turnaround time from catwalk to consumer has decreased from 6-8 months to as little as three weeks (Joy, Sherry Jr, Venkatesh, Wang, & Chan, 2012). This compacted time frame places extreme pressure on supplier capabilities, and the competition for a brand’s business is ruthless. Relationships between brands and their suppliers are results-oriented and can be terminated at any time for lackluster performance. The supplier is expected to perform more functions than ever before as far as getting product ready for market. In order to meet this increased level of responsibility and conform to stricter cost constraints, product development and quality control steps are being eliminated (Liz & Gaynor, 2006). The apparel produced in such an environment has less integrity and overall functionality, and therefore the benefits passed on to the consumer are greatly diminished. Increased time pressure in turn increases the likelihood that ethical standards

will be ignored. As Kate Fletcher acknowledges, “Short lead times and cheap clothes are only made possible by exploitation of labor and natural resources” (Fletcher, 2007).

Not only have factories suffered by trying to meet retailers’ demands, but the volume of clothing being produced today has also put an enormous amount of strain on our world’s resources. The Fiber Year 2009/2010 Report revealed that in 1950 world fiber usage amounted to 10 million tons, a number which has since soared to over 90 million tons (Cline, 2012, p. 125, Siejak, 2013). Moreover, the US Department of Agriculture found that clothing imports increased from \$31 billion in 1992 to \$64 billion in 2002 (Lehew, 2011). Manmade fibers, whose production is particularly hazardous for the environment, increased market share from 54% in 2000 to 67% by 2013 (Siejak, 2013). Within the US alone, clothing and footwear is responsible for over 9 million tons of waste, working out to about 65 pounds per person per year (Municipal Solid Waste, 2012). These economic, social, and environmental effects of fast fashion cannot continue unchecked without severe consequences. The fashion industry is desperately in need of a method to counteract the unsustainable behavior of suppliers, producers, and retailers, as well as that of their consumers. The remedy for this dilemma is the slow fashion movement.

### **A NEW MODEL: SLOW FASHION**

Slow fashion is premised on the model of the slow food movement, which emphasizes short production runs, local distinctiveness, quality, and sustainability (Leslie, Brail, & Hunt, 2014). Though it has no formal definition, slow fashion refers to retailers who produce long-lasting clothing with the mindset of having “nothing in excess and everything in balance” (Watson & Yan, 2013). In general, slow fashion is a

philosophy of attentiveness toward the impact of fashion production on workers, consumers, and ecosystems (Joy, 2012). Kate Fletcher, the founder of the slow fashion movement, advocates for the creation of a place within the fashion industry where “pleasure and fashion are linked with awareness and responsibility, choice, information, cultural diversity, [and] identity” (Fletcher, 2007). Since its conception in 2007, this movement has provided a platform for fashion innovation to continue in the midst of the conformity that has become the standard for the industry.

The slow fashion movement consists of several values, each of which is promoted as a practical method of renewing the fashion industry to its original state where variety, depth, and innovation were highly valued. Perhaps the most ambitious of these objectives is to turn the focus of producers, retailers, and consumers back from quantity to quality. Instead of producing for the masses, slow fashion incorporates limited production runs of well-made, special pieces. According to this model, consumers would purchase fewer products due to the fact that quality costs more, yet those products would have higher value and greater longevity than anything fast fashion could ever produce (Fletcher, 2007). Fast fashion business models only speed up time to market; beyond that, they offer no tangible benefits to the consumer. In fact, fast fashion leads to highly inefficient use of consumer time because more time must be allocated to shopping in order to replace garments that are poorly made (Fletcher, 2007). Therefore, a more conscious approach toward the quality of items purchased could increase consumer satisfaction without cultivating the currently unquenchable need for something new: well-made pieces are worth treasuring because they are built to withstand the test of time.

For fashion to be treasured, it must be special. Slow fashion supports the creation of unique, distinctive designs influenced by local cultures and tastes (Slow Fashion Forward). Uwe Bald, Vice President of International Business at Hermès, recognized the value of unique tastes when he declared, “Different markets require a different strategy to be successful. It might make sense to focus on markets in which the products can be successful instead of trying to sell undifferentiated to the entire world” (Larson, 2014). Utilizing local skills could lead to incredible breadth of fashion choices, in contrast to our current, extremely narrow selection. Fast fashion companies have turned fashion into a commodity: a product that is safe and predictable with minimal design risk taken in order to increase its salability. The term ‘fashion’ refers to every item of clothing at every price level, a form of application that hasn’t always existed (Agins, 1999, p. 185). Slow fashion seeks to provide an alternative to standardized apparel by encouraging the influence of diverse cultures and tastes to flourish, designing boldly with a specific market in mind.

Before globalization took hold of the fashion industry, design and production were mostly carried out within the same geographical area (Thomas, 2007). While this model is not conducive to achieving the goals of low-priced mass standardization, it is particularly attractive for companies who strive for distinctiveness and customization. Keeping production as close to the consumer as possible allows for flexibility and adaptability, two key ingredients for success in the fashion industry (Clark, 2008). When production is spread out all over the globe or when projects are handed off to subcontractors, it is nearly impossible to make changes to an order or even to know who is working the production line and in what conditions. Furthermore, the time frame of fast fashion places lofty constraints on suppliers, increasing the likelihood of ethical

violations in the name of meeting deadlines. One of the precepts of slow fashion is to eliminate this added pressure, allowing suppliers to invest in long-term resources and develop mutually beneficial relationships with other players in the supply chain (Fletcher, 2007). Slow fashion also advocates for a fairer distribution of the ticket price throughout the supply chain, rather than externalizing costs and leaving suppliers powerless in the face of a high-volume retailer (Fletcher, 2007).

### **Theoretical Support for the Slow Fashion Movement**

**Uniqueness Theory.** C. R. Snyder and Howard L. Fromkin hypothesized that people need to feel moderately unique, saying, “People seek to establish and maintain a sense of moderate self-distinctiveness because perceptions of extreme similarity or dissimilarity to others are experienced as being unpleasant” (Lynn & Snyder, 2002). Research has shown that people react negatively to information that they are highly similar to others, so much so that they will reassert their uniqueness by identifying with small, exclusive, distinctive groups more than with large, inclusive, indistinctive ones (Lynn, 1991). This theory suggests that the globalization and standardization of fashion that exists today prohibits consumers from satisfying their need for distinctiveness. Since material possessions function as extensions of the self – especially those relating to fashion – there is significant potential for one to express her uniqueness through the possession of scarce commodities (Lynn, 1991).

Fast fashion companies recognize this need and deliberately keep inventory levels low and consumers’ uncertainty regarding further shipments high in order to encourage impulse purchases, actions rooted in the increased desirability generated by the degree of a product’s unavailability. These types of purchases drive the high volume on which fast

fashion retailers are wholly dependent in order to obtain a profit. Slow fashion seeks a different approach: although limited production is still a component of this model, slow fashion encourages conscientious consumption rather than impulse buys. By detailing the production history of a garment and pricing it in a manner that reflects the time and attention paid to its detailed construction, the goal is for consumers to think through the purchase of a new garment before buying it. With more thought put into the front side of one's consumption decisions, the consumer will likely expect more from the items she purchases. According to Kincade, Giddings, and Chen-Yu's study on post-consumption behavior, "Consumers expect value for their money when they purchase apparel items and this expectation appears to increase with the increase in the cost of an item" (Kincade, 2014, p. 87). Furthermore, by increasing the level of her investment in her garments, the consumer will also take actions to protect her investment, caring for and repairing her clothing rather than throwing it in the trash and moving on to the next purchase.

**Commodity Theory.** The creation of scarcity is a direct application of Professor Timothy C. Brock's Commodity Theory, which states "Scarcity enhances the value or desirability of anything that can be possessed, is useful to its possessors, and is transferable from one person to another" (Lynn, 1991). Brock further theorized, "People may desire scarce commodities more than comparable alternatives because possession of scarce commodities conveys feelings of personal distinctiveness or uniqueness" (Lynn, 1991). Research has shown that marketers can increase the perceived value of products, services, and promotions by manipulating the perceived scarcity of those products (Lynn, 1991). By connecting Commodity Theory with the afore-mentioned Need for Uniqueness

Theory, fast fashion retailers have created artificial value by increasing their potency as far as their ability to affect the attitudes and behaviors of their consumers. Ironically, this plan brews future trouble for fast fashion. If perceived scarcity increases a product's value and, therefore, demand for said product, producing more to satisfy demand inevitably decreases demand. Making a product more available decreases its scarcity and, therefore, the product's perceived value. If anyone in any place in the world can have the same product, uniqueness no longer exists. The scarcity value dissipates and the product no longer satisfies the consumer's need to feel unique.

While this appears to be a foreboding message for fast fashion, it is particularly encouraging for slow fashion, suggesting it to be a viable model from an economic perspective. Local manufacturing and production increase the uniqueness of products from different locations as well as the penetration of individual tastes from those locales. A concentration on mindful production limits the availability of each design and leads to very real, rather than artificial, scarcity. These factors lead consumers to accurate perceptions of value, rather than misleading them with highly calculated marketing schemes. This transparency with consumers creates trust, and, additionally, a sustainable competitive advantage for slow fashion companies. By offering increased quality, renewed creativity, a positive impact on the supply chain, true exclusivity, and a revitalized experience of both buying and wearing, slow fashion delivers on Michael J. Silverstein and Neil Fiske's "Ladder of Benefits," which includes technical differences that lead to enhanced functional performance and connect with the consumer on an emotional level (Trading Up). These elements suggest consumers will be willing to trade up and invest in such products.

### **Millennials: The Ideal Slow Fashion Consumers**

Currently in the United States, the largest consumer category is the Millennial generation consisting of Americans born between 1980 and 1996. These consumers are the most diverse, best educated, and most value-oriented group to date (Eventbrite, 2014). They highly value experiences: 78% say they would spend more on a desirable experience than on a desirable possession, suggesting a move away from the materialism that has come to characterize American culture. (Eventbrite, 2014) Due to their tech-savvy nature, Millennials seek out information about the goods they desire to purchase. Although this means they are slow to buy, their purchasing behavior also suggests they are willing to spend more at retailers and on products they believe in (Kovanis, 2014).

Bypassing Baby Boomers at 26% of the population (versus 24%), Millennials wield incredible power over the direction of the fashion industry (Searcey, 2014). Presently, Millennials spend around \$600 billion per year, a figure that is projected to grow to \$1.4 trillion by 2020 (Feran, 2014). According to The Boston Consulting Group's "True Luxury Consumer Insights" 2014 report, the luxury market is expected to grow from 380 million consumers to 440 million by 2020 (Achille, 2014). Ten million of these new consumers will be core luxury consumers and fifty million will be aspirational consumers. In terms of monetary value, the personal and experiential luxury market will grow from 730 billion Euros to 880 billion Euros by 2020 (Achille, 2014). BCG's report also deemed this "The Consumer Era," when the consumer will be the engine of topline and margin growth (Achille, 2014). As Millennials become a larger portion of the population, it is evident that brands will want to focus their efforts on appealing to this generation in order to capture the projected growth available within the luxury market.

One defining factor about this generation is “They no longer want to be a walking billboard of a brand,” as noted by Michael Scheiner, a spokesperson for Abercrombie (Mincer, 2014). Abercrombie & Fitch has been especially sensitive to this shift, going so far as to reduce the prominence of its logo on its merchandise in order to stay relevant as consumers’ preferences change (Feran, 2014). In fact, according to a survey by Mintel, 52% of respondents “avoid owning obvious designer initials/patterns/logos because it’s not my taste/style” (Mintel, 2013). In the past, logos were critical: they represented one’s membership to a group. With more independent consumers however – ones who are statistically less likely to associate with a political party or religion – such a conspicuous statement is no longer attractive. In fact, as Scheiner stated in reference to the changes in Abercrombie’s aesthetic, “Your brand isn’t your logo, but rather the latter is a reflection of the former, and your brand is much more the product of...what, where, when, why, and how you sell things” (Feran, 2014).

As the most well educated consumers to date, Millennials are aware of the connection between the products they consume and the impact those products have on the world around them. In part due to the availability of information on the Internet and the speed with which news can travel across the world via social media, consumers exhibit a rising concern for the environment and for supply chain issues. According to Mintel research, Millennials expect transparency and they desire relationships with and authenticity from the brands they patronize (Mintel, 2013). Having been inundated with advertisements their entire lives, Millennials are extremely aware of marketing strategies and are fairly cynical when confronted by them (Mintel, 2013). Therefore, sincerity and truthfulness are highly rewarded. In the fashion industry, where there is no denying the

lengths a company will go to sell its product, this is particularly encouraging because it demonstrates there is room for reform.

Many retailers are accepting responsibility for this task of educating the consumer and are working to change the landscape of apparel retailing. These include Cuyana, whose mantra is “Fewer, Better;” Everlane, who promises “radical transparency” by posting information about their factories on their website; and countless others (Holmes, 2014). Retailers in this group offer edited assortments and fewer promotions, while also promising higher quality fabrics, better construction, and transparency about sourcing and manufacturing (Holmes, 2014). Consumers are responding to these changes: in fact, a “buy less, buy better” movement is brewing, characterized by a shift toward quality over quantity. Annual spending on clothing continues to increase while the quantity of clothing purchased has leveled off since it peaked in 2005 (Holmes, 2014). Of A Kind founder Claire Mazur shed light on this adjustment, saying, “A lot of our customers are graduating from fast fashion and trying to wrap their heads around how to spend \$200 dollars on a dress” (Holmes, 2014). Sales trends suggest consumers are willing to make this switch, a switch that will require some fundamental changes in consumption habits but one that can be aided by retailers who are willing to lead their customers well.

Asking consumers to pay higher prices for apparel requires a new definition of value as it relates to apparel purchases. Currently consumers understand value to be dependent on price: the more consumers can buy with their money, the better the value. Judging value this way encourages excessive consumption because consumers become enamored by how far they can stretch their dollar. The challenge of the slow fashion movement will be to find other ways to define value that would encompass the totality of

a garment – from design to sourcing and production – rather than solely basing this distinction on the final ticket price. The higher price of slow fashion apparel is a product of higher quality fabrics and fibers, durable construction of the garments themselves, and strict adherence to ethical and moral standards throughout the supply chain.

Unfortunately, these added benefits are not always visible to the consumer: even tangible improvements to garment quality may go unnoticed. A critical element for the success of slow fashion, therefore, is the scarcity created by local design and production. These components elevate the perceived value of slow fashion apparel by offering consumers items that are truly one-of-a-kind and satisfy their need for uniqueness.

## CONCLUSION

### **A New Role for Luxury Brands**

The irony of the conundrum that necessitated a slow fashion movement is that while luxury brands fostered an environment ripe for the exploitation of resources and excessive waste, they are also the best candidates for leaders in the effort to reverse the damage done. In essence, luxury led the way once: it can do so again. Luxury brands still express concern for quality and craft, and they already strive for timelessness as opposed to the deliberately time-limited style of fast fashion. With their status in the fashion industry, luxury “could effectively counteract some of the problems endemic to fast fashion and provide leadership on issues relating to sustainability” (Joy, 2012, p. 289). Luxury brands and the slow fashion movement already agree on the importance of originality and exclusivity. In recent years, however, luxury has maintained its exclusivity merely through exclusive prices rather than through limited production runs, a distinction that leads to increased consumption due to the very conspicuous manner in

which luxury products now indicate financial status. The question then becomes, “Can luxury brands reposition themselves as authentic players in ‘a more holistic ecology of value’?” (Joy, 2012, p. 289). Can luxury align its values with those of the slow fashion movement, recreating the standards for which luxury once stood?

Several brands have already taken action to retrieve their original values and fully embody them throughout the production process. For example, after 38 years in ready to wear, Jean Paul Gaultier is halting these lines to focus on couture, an area where the designer feels he is truly able to express his creativity and experiment with fashion design. Gaultier has witnessed the fashion industry “accelerate to the point where even designer collections are forced to adopt an industrial pace and scale” as they attempt to compete with fast fashion (Socha, 2014b). The designer cited commercial constraints and the “frenetic pace of collections” as the primary culprits, saying they “don’t leave any freedom, nor the necessary time to find fresh ideas and to innovate” (Socha, 2014b). As CEO Franco Pené stated, Gaultier “no longer felt at ease in today’s ultracompetitive fashion scene...with all the current emphasis on competition between one fashion colossus and another – which doesn’t have anything to do with what a designer expresses in terms of creativity” (Socha, 2014b).

Just a few months after Gaultier’s announcement, design duo Viktor Horsting and Rolf Snoeren declared they would be following in his footsteps, halting their ready-to-wear line following the Fall/Winter 2015 season to concentrate on couture, fragrances, and licensed businesses (Socha, 2015). This shutdown was characterized as “a strategic decision to position the Viktor & Rolf brand in the highest luxury segment of fashion” (Socha, 2015). Not surprisingly, Horsting cited similar reasons as Gaultier for his brand’s

decision, saying ready-to-wear “started to feel creatively restricting. By letting go of it, we gain more time and freedom” (Socha, 2015). When a high-profile brand commits to such a drastic change, the fashion world takes notice. When two brands make the same decision within five months of each other, it signals a more widespread shift, one with the potential to heavily impact the trajectory of the industry as a whole. The fact that such a big change is necessary to reclaim what fashion once stood for indicates that fashion, as we know it today, stands in sharp contrast to what it originally set out to be.

While the decisions of these designers represent a drastic return to fashion’s beginnings, one company stands out as evidence that exclusivity has been possible all along: Hermés. According to CEO Axel Dumas, “The philosophy of Hermés is to keep craftsmanship alive” (Adams, 2014). For the past 178 years, this is exactly what they’ve done. Not only do their highly coveted Birkin and Kelly bags have waiting lists of 7-10 years, but these bags also appreciate in value. In 2013, Heritage Auctions sold a collection of Birkin bags at 3-5 times the presale estimates (Adams, 2014). These bags are highly exclusive and clearly not meant to be carried by just anybody. For this reason, ownership of an Hermés handbag carries profound meaning and prestige – it has not been overdone and worn out by excessive visibility on the market. Each bag is handmade by 3,000 skilled workers in 12 workshops throughout France: statistics that would not support a high-volume business, but sync harmoniously with one focused on high quality craftsmanship. Hermés fought off a corporate takeover by Arnault and LVMH, allowing it to continue making long-term decisions as if it were a private company. This business model has preserved the company’s control over the production process and certainly has not stifled its success. In 2013 Hermés reported \$5 billion in sales, \$1.69 billion in

operating profits, and was ranked #13 on Forbes' list of the world's most innovative companies (Adams, 2014).

Even large luxury conglomerates recognize the need for careful brand maintenance. LVMH depends heavily on the ongoing success of Louis Vuitton, the brand that normally contributes around half of the profits of the entire group and was responsible for nearly 70% of the profits during the financial crisis during first half of 2009 (LVMH in the Recession: The Substance of Style, 2009). Vuitton doesn't license to outside companies, nor does it ever discount its products. Instead, it manages its own inventory and keeps a close watch on its destruction margin, or the amount of product that doesn't sell and ends up being destroyed (LVMH in the Recession: The Substance of Style, 2009). By actively taking steps to prevent brand degradation, Vuitton records consistent profit margins of 40-45%, the highest of any luxury goods brand (LVMH in the Recession: The Substance of Style, 2009). Such strong numbers offset the decline in revenue for other LVMH brands during the recession, but even so the company recognizes the need for change in order to recapture the hearts of consumers. In light of hard economic times, one executive expressed the company's realization, saying "now we care a bit less about expanding our network and even more about design and price...now we are getting back to what really matters" (LVMH in the Recession: The Substance of Style, 2009).

This push against the current state of the fashion industry is not isolated within the luxury segment. In fact, it has already infiltrated the ranks of the biggest offender: fast fashion. H&M CEO Karl-Johan Persson proclaimed, "We have to change how fashion is made. We have to make more with less. We have to go from a linear model to a circular

model” (Edelson, 2014). H&M has not only embarked on a ‘fair living wage road map’ to ensure factory conditions are ethically sound, but the company has also worked to increase the quality of its merchandise, saying “We want to offer good design and affordable, good quality. We’re investing in improving the quality” (Edelson, 2014). To do this, H&M has partnered with its suppliers, its suppliers’ workers, and the government in Bangladesh to reach its goal of 100% sustainability by 2020 (Edelson, 2014). Even with its position as the second largest retailer in the world, H&M has already seen an impact on its margins from paying higher wages and investing in better quality. These changes will not impact the consumer – instead, the company will absorb the added costs and stand up to investors in support of its long-term sustainability goals (Berfield, 2014).

In the past, only haute couture was worthy of the term “fashion.” Today, every garment at every price point is described this way. Somewhere along the line, fashion ceased to imply craftsmanship and creative risk-taking and instead grew to encompass sameness and unremarkable design. Quantity became more important than quality, an inversion whose consequences plague not only the entire fashion supply chain, but also the world in which we live. Luxury brands planted the seeds for this distorted view of what constitutes fashion; fast fashion nourished these seeds and encouraged them to grow. Now, it is time to amend this distortion. Those who led consumers to a false understanding of fashion have the power to redirect them and work toward a more sustainable future for the industry, one that benefits everyone involved. The hour to change the reputation of the fashion industry has come, and the potential for complete transformation has never been so great.

Slow fashion offers a new direction with the potential to revitalize an industry that has been stripped of what made it worthwhile. As Slow Fashion founder Kate Fletcher proposed, “When the product is an investment, has functional longevity, and also remains in fashion, it retains its attraction for the particular consumer or user beyond the fashion season” (Clark, 2008). If this industry is to move forward, acknowledgement and understanding of the road it took to arrive at its current state is critical. Only through the examination of fashion’s past – the connection between its highest and lowest forms and how each influenced one another – is it possible to write a new future for the industry and rediscover its original character. With this knowledge in mind, it will be possible to end the commodification of fashion.

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