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IN FOCUS:

Reuse, Recycle & Rental:

How Sustainable Concerns Are Shaking Up The Way We Shop

Foreword

The impact of consumption is being heavily debated at the moment with anti-Climate Change movements like 'Extinction Rebellion' creating an atmosphere of change (and now planning disruption the next London Fashion Week in September). As a result environmental concerns and sustainability are starting to gain traction with the wider public. It feels like such concerns are moving to the forefront of many people's minds when deciding what to buy.

The fashion industry is being firmly targeted as one of the most polluting and wasteful of global industries, but it can also be part of the solution. Documentaries such as BBC investigative journalist Stacey Dooley's "Fashion's Dirty Secrets" looking at "the shocking environmental impact caused by an insatiable appetite for cheap clothing" caused many consumers to sit and take notice.

UK Parliament has been scrutinising the UK fashion industry in detail too, via the Environmental Audit Committee, whose report "Fixing Fashion", outlined a number of recommended a number of measures to take including a 1p garment tax on every item produced.

Ultimately the Government failed to take up any of the recommendations but the industry hasn't been let off the hook. The EAC is moderating its proposals and will have another go at getting them accepted and a new All Party Parliamentary Group for sustainable fashion and textiles was launched in July 2019.

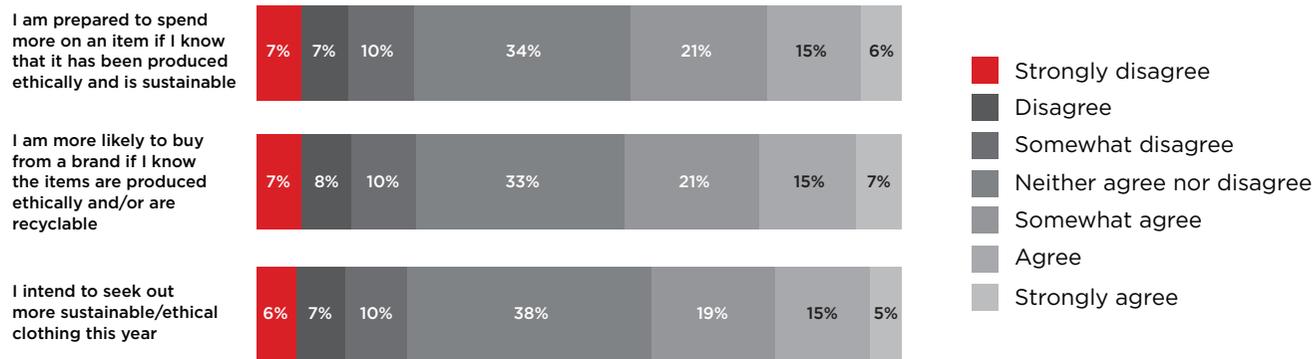
The following report will examine how consumers feel about sustainability, including how they dispose of their unwanted clothes, how important ethical and environment concerns really are to their purchasing decisions, and the opportunities – via new business models such as reuse and rental – for brands and retailers to tap into this new feeling.

TheIndustry.fashion Survey

Sustainable & Ethical Motivators/Intentions

Of course, one of the oft-quoted issues with encouraging consumers to “go green” is that ethically and sustainably produced clothing often costs more, however it seems there is a sizable chunk of consumers that are prepared to spend more to do their bit. When asked whether they would be prepared to spend more on ethically produced and/or sustainable products, 42% of people agreed, while 24% disagreed and 34% weren’t influenced either way.

How strongly you agree with the following statements?



Asked if they were more likely to buy from a brand if they knew the items were produced ethically and/or are recyclable, the results roughly mirrored the first question with the level of responses – 43% of people agreeing, 25% disagreeing and a third (33%) neither agreeing or disagreeing.

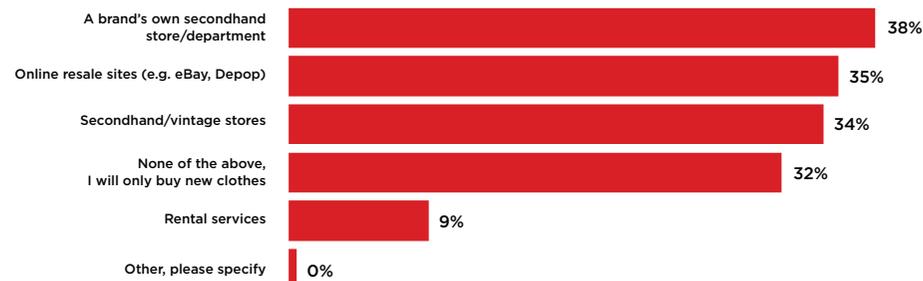
Asked whether they intended to seek out more sustainable/ethical clothing this year, 39% agreed, 23% disagreed and 38% neither agreed nor disagreed.

Nearly 2 in 5 of people (38%) said they would consider shopping for clothes in a brand’s own secondhand store/ department. Just over a third of people (35%) cited online auction sites such as eBay or Depop (these are much more popular among younger consumers) and secondhand/vintage stores (34%) as favoured options to consider, while a stubborn 32% said they would only buy new clothes (see over).

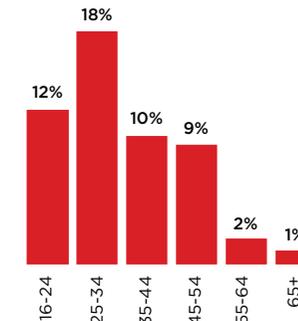
TheIndustry.fashion Survey

Sustainable & Ethical Motivators/Intentions cont...

Would you consider shopping for clothes via any of the following methods in a bid to be more sustainable?



Would you consider shopping for clothes via a fashion rental service?



Just under 1 in 10 of people (9%) would consider a rental fashion service. This is an interesting statistic given that there have been a proliferation of new rental services from luxury to high street cropping up of late designed to tap into this market, including The Endless Wardrobe, Hire Street, Hurr Collective, MyWardrobeHQ and Nuuly (currently only available in the US this subscription box rental service has been launched by the parent of Urban Outfitters URBN). See Rental - Challenging Ownership - Fashion As A Service case study on p10 . Interesting to note, though that the reluctance of the older generation to use fashion rental services pulls the figure down, with 18% of 25-34 year olds keen on the idea. Perhaps also the wider availability of quality rental services will push this number up in future?

Takeaway - The majority of people are prepared to pay for items flagged up as sustainably and ethically produced. In all three questions, "somewhat agree" was the largest agreement which shows it is a slight factor in people's decisions rather than a very decisive reason. Nearly 2 in 5 people intend to seek out more sustainable and ethical clothing this year. Over two thirds of people would consider some kind of pre-owned fashion option. Brand loyalty is strong with nearly 2 in 5 people saying they would consider buying from a brand's own secondhand store/department.

Case Study

The Luxury Charity Store

Making old clothes desirable is the raison d'être of the luxury second hand store. Mix in philanthropy, the majority benefit charity, and it offers a feel-good feeling for those purchasers of used or “pre-loved” clothing.

“Fashion Re-told”, the luxury charity pop-up shop from Harrods, returned for its second year this summer. Located in Marylebone it sold used items from designers such as Stella McCartney, Chloé, Self-Portrait, Calvin Klein and Ralph Lauren with all proceeds going to the NSPCC. Inspired by an English summer garden, the space was designed by Harrods and featured a floral entrance designed by luxury florist Flowerbx and scented by Jo Malone London. Landlord Howard de Walden Estates donated the space, which also hosted pop-up events, talks and workshops for members of the public.

Harrods managing director Michael Ward said of the initiative: “With Fashion Re-Told, our ambition is to change the public’s perception of charitable shopping by offering a Harrods-level of service, product range and shopping experience.”

Harrods is not alone in trying to elevate the experience of shopping used clothing. French contemporary womenswear brand, Sézane, opened a shop last March in Paris where it sells used product. Clothes in good condition are resold, with the benefits going to good causes. Designed to support founder Morgane Sézalory’s goal to raise one million euros for non-profit causes, the store also features limited edition stock pieces from past seasons, second-hand items, and lightly worn garments used for fashion shoots, all sold entirely in support of children’s charities.

Also this summer online giant ASOS launched dedicated online vintage fashion boutiques for leading charities on its “Marketplace” ahead of the festival season. There were dedicated Oxfam Festival Shop, Barnardo’s and TRAIID online boutiques. All proceeds from purchases went direct to the charities, with no commission paid to ASOS.

“Buying vintage or donating used garments is an incredibly effective way of reducing the environmental impact of clothing. With the launch of Oxfam Fest, Barnardo’s, and TRAIID on ASOS Marketplace, we’re taking another step towards making it easy and convenient for our customers to shop in a sustainable and responsible way, while supporting the crucial work of these well-known charities,” said ASOS Marketplace lead Alex Cousins when the initiative was launched.

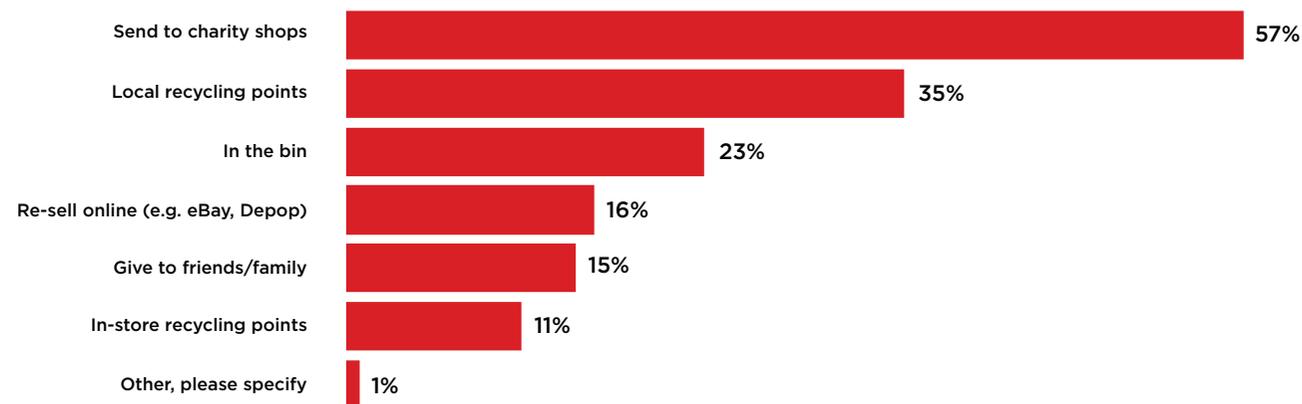


TheIndustry.fashion Survey

Disposing of Unwanted Fashion

When disposing of unwanted clothes, an overwhelming 57% of respondents offered them to charity shops. The next most popular options were local recycling points (35%), In The Bin (23%) and Re-Selling on sites such as eBay, Depop etc. (16%). 15% of people gave unwanted clothes away to family and friends and just over 1 in 10 (11%) people used in-store recycling points.

When your clothes have worn out/you no longer want to wear them.
How do you dispose of them?

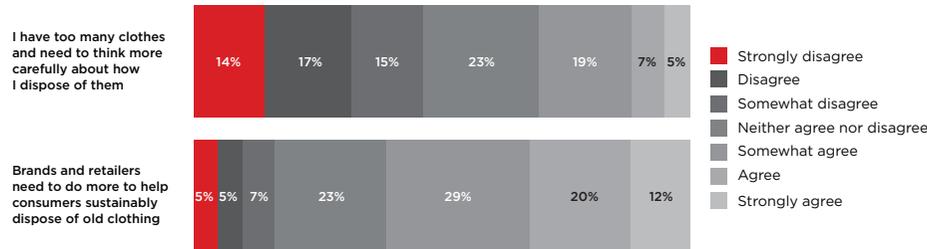


When asked whether they thought they had too many clothes and needed to think more carefully about disposing of them, around nearly half of people (46%) disagreed, while nearly a third of people (31%) agreed. The rest neither agreed or disagreed. While a good chunk of consumers don't see themselves as the problem, they do feel the onus is on brands and retailers to do more to help them adopt more sustainable practices (see over).

TheIndustry.fashion Survey

Disposing of Unwanted Fashion cont...

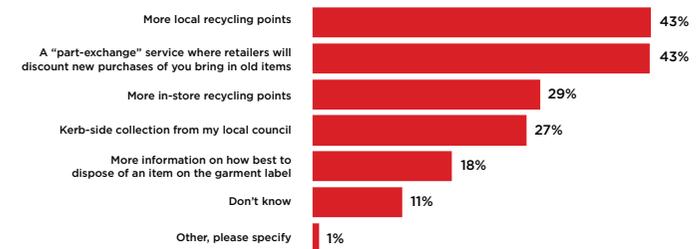
How strongly you agree with the following statements?



Asked whether brands and retailers need to do more to help consumers sustainably dispose of old clothing, the majority of people (61%) agreed while a much smaller 17% disagreed.

Over 2 in 5 (43%) of consumers said they would be encouraged to recycle or sustainably dispose of their clothing more by there being more local recycling points or “part exchange” services offering a discount on new purchases by bring in something old.

Which of the following factors would encourage you to recycle/sustainably dispose of your clothing?



Around 3 in 10 people (29%) said more in-store recycling points and 27% said kerb-side collection from local council would encourage them.

Just under 1 in 5 said more information on how best to dispose of an item on the garment label would be a factor.

Takeaway — Surprisingly, fashion hasn’t reached saturation point yet with nearly half of people disagreeing that they had too many clothes. There’s any opportunity for brands and retailers to create loyalty and also increase physical store visits by offering in-store recycling options. Brands and retailers seen to offer these options will be rewarded with a halo effect because of the desire for brands and retailers to be seen to be doing more from consumers. It’s a responsible, long term and positive statement to be seen to be helping consumers deal with old clothes or excess from their wardrobes. Finally, it is time for many brands and retailers to acknowledge the likelihood of their products’ disposability by putting information on the label saying how to recycle or what to do with it when you no longer want it.

Retailers – Current Disposal/Recycling Schemes

Marks & Spencer was, arguably, one of the first retailers to realise the potential and cost savings of implementing less wasteful and environmentally friendly practises. It launched their “Plan A” back in January 2007, setting out 100 commitments to achieve in five years. In 2012 they extended Plan A to 180 commitments to achieve by 2015, with the ultimate goal of becoming the world’s most sustainable major retailer. Marks & Spencer has committed to making all of its packaging “widely recyclable” by 2022 and halving its food waste by 2025. It has also committed to ensuring all of its raw materials come from sustainable sources by 2025, including cotton by 2019.

Its ‘Shwop’ scheme was a pioneer of in-store disposal of old clothes. Partnering with Oxfam, the items are resold, reused or recycled. Since 2008, the M&S and Oxfam Shwopping partnership has collected over 20 million items, worth an estimated £16 million for Oxfam’s work.

Other retailers have followed suit and in-store recycling areas are quickly become a retail standard. Primark has introduced in its largest store yet in Birmingham and the H&M group is particularly prominent in its eco-conscious and sustainable collections and practises.

Missguided, New Look, Oliver Bonas and Superdry, have partnered with reGAIN, a clothes recycling app which allows its users to donate unwanted clothes at select pick-up points. The service was launched in 2018 by entrepreneur Jack Ostrowski (pictured right). In return for donating clothes, consumers can receive discount codes which can be used with reGAIN’s retail partners. The aim is to prevent unwanted clothes heading to landfill.



Case Study – Is Taxation The Answer?

Changing Behaviour

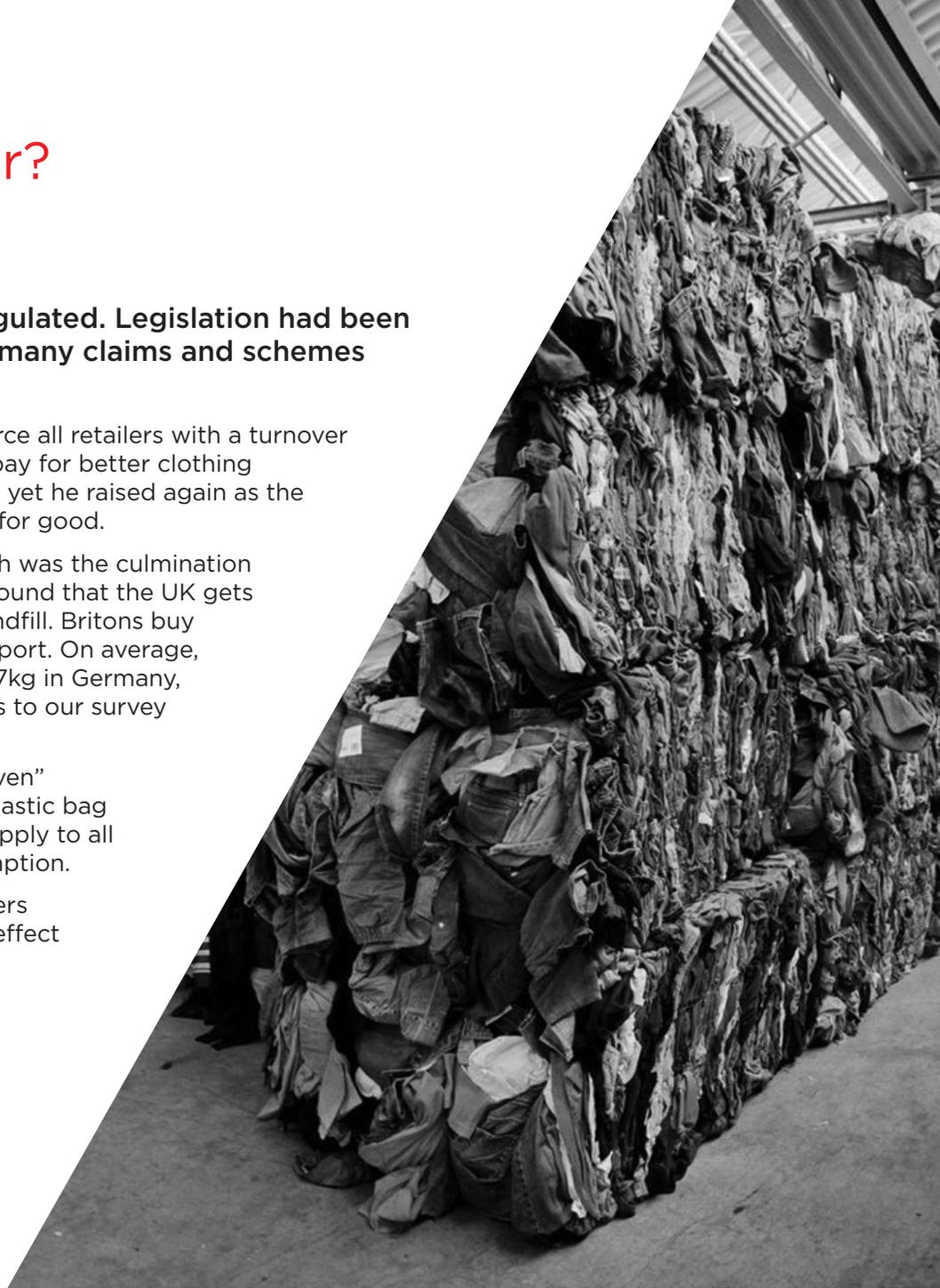
The majority of these schemes and ideas are voluntary and unregulated. Legislation had been considered to speed up change and also monitor and police the many claims and schemes operated by brands and retailers.

A proposal by Parliamentary group, the Environmental Audit Committee, to force all retailers with a turnover of more than £36m to charge one penny on each item of clothing they sell to pay for better clothing collection and recycling was ultimately rejected by the Government, but it may yet be raised again as the EAC was tasked with revising its proposals rather than having them dismissed for good.

The so-called Garment Tax, was raised in a report entitled Fixing Fashion, which was the culmination of an inquiry by MPs into the sustainability of the fashion industry. The report found that the UK gets rid of over a million tonnes of clothes each year, with £140m worth going to landfill. Britons buy more clothes per person than any other country in Europe, according to the report. On average, consumers in the UK buy 26.7kg of fashion items each year, compared with 16.7kg in Germany, 14.5kg in Italy and 12.6kg in Sweden. In spite of this though 48% of respondents to our survey didn't feel they owned too many clothes.

However, taxation can change behaviour. Plastic bag sales in England's "big seven" supermarkets have dropped by 86% since the Government introduced its 5p plastic bag charge in 2015. The current 5p charge is proposed to increase to 10p and will apply to all shops, not just large retailers, under measures aimed at curbing plastic consumption.

An estimated 3.6 billion single-use bags are supplied annually by smaller retailers which are exempt from the current 5p bag levy. The changes could come into effect in January 2020. A recent study by Cefas – Centre for Environment, Fisheries and Aquaculture Science – revealed since the 5p charge on plastic bags was introduced, which has taken over 9 billion plastic bags out of circulation, there has been an estimated 50% reduction in plastic bag marine litter.



Rental – Challenging Ownership

Fashion As A Service

If you're going to wear something once, do you really need to own it? The Industry survey found that just under 1 in 10 of people (9%) would consider a rental fashion service. This growing sector has seen a wave of start-ups said to offer easy, convenient and affordable ways to rent clothes.

The American 'Rent the Runway' has opened its newest store in San Francisco, complete with co-working space, after landing a \$125 million investment giving it a \$1 billion valuation. Rent the Runway's fifth and largest location yet has 3,000 pieces of merchandise curated daily.

Rent the Runway was founded in 2009 by Jenn Hyman and Jenny Fleiss as a website for renting expensive, designer dresses. Since then it's expanded to become a fashion rental marketplace equipped with accessories, casual pieces and its main USP – formal wear.

Customers can rent individual items or subscribe for unlimited swaps, meaning you get up to four pieces at a time but can visit a store daily and swap the pieces out.

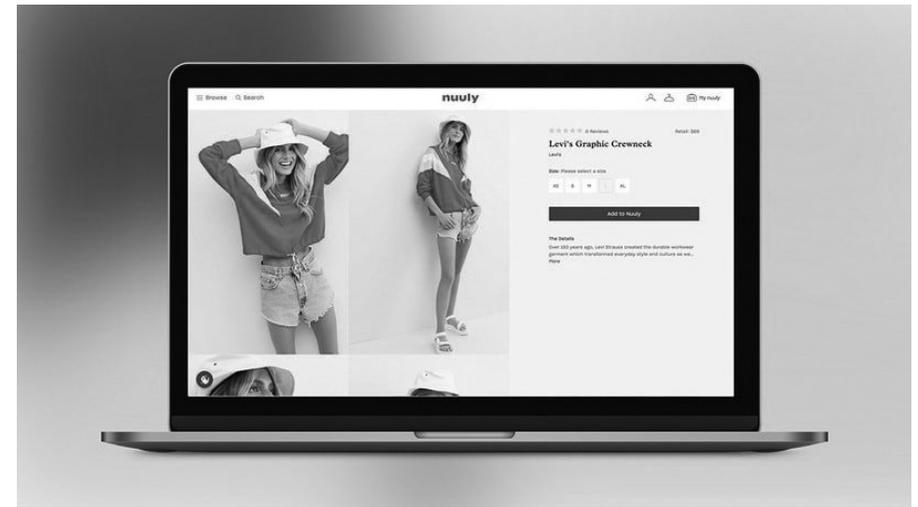
In the UK, there are multiple new rental fashion companies offering differing levels of product. Some hold inventory while others offer a sharing model. Hurr Collective is the UK's first peer-to-peer wardrobe rental platform. Renters can access designer pieces for around 20% of the retail price for a seven-day rental period borrowed from others. The model works by taking commission.

Hirestreet is the UK's first high-street focused fashion rental service launched in May 2018. Hirestreet buys the items and then leases them for around 20% of the retail price. After a rental, each garment is dry cleaned and turned around for the next customer.

The Endless Wardrobe operates a similar model, while MyWardrobeHQ is a "social community for buying, selling and renting designer items from people and profiles that you covet". Users can follow brands and peers who inspire them and rent items from their wardrobe or, indeed, buy them if they decide they love the item enough. For example, a Chanel handbag might carry a monthly rental price of £100 and, if the renter decided they wanted to keep it, they would pay the pre-agreed replacement price which might be £500. 20% of these transactions go to MyWardrobeHQ. The full launch will take place this September.

Individual brands such as Mud Jeans and Houdini Sportswear offer a rental model, and in the US, CaaStle is a rental service from the Gwynnie Bee brand and includes other retailers such as American Eagle Outfitters Inc., Express and Ascena Retail Group Inc.'s Ann Taylor.

URBN, the parent company of Urban Outfitters, has just launched Nuuly, a subscription box rental service, offering brands from its group, 100 third-party brands and a selection of vintage items. It offers sizes from 00-26 with petite options also available. Customers can select up to six items per month for \$88 and Nuuly will even take care of laundry free of charge.





Case Study

Second Hand Is The New Black? Making Old Cool

TheIndustry.fashion survey discovered that nearly 2 in 5 people said they would consider buying from a brand's own secondhand store/department.

Undoubtably social media has fuelled our love and volume of newness. Posting on social media, especially by influencers, doesn't work if the items in question aren't new and therefore unavailable, but, with fast fashion becoming demonised with consumers, many are turning to the second-hand clothing market. With many items barely worn, the second hand market can be as good as new at a fraction of the price.

Confirming the findings in TheIndustry.fashion survey, a poll conducted by waste management agency, BusinessWaste.co.uk, found almost half of the 1,500 respondents (45%) said they would buy clothes that had been pre-owned. 20% said they currently regularly buy second-hand clothes already.

94% said celebrities buying secondhand would encourage them, 90% said family or friends doing so would encourage them and 6% said nothing would.

80% of 16-21 year olds said they would buy second hand clothes. Of those who said they would be happy to buy second-hand garments, there was a clear consensus that image played a part. Charity shops still carry a slight stigma. 62% said they would be happy to purchase from charity shops, while 80% said they would from a high-street retailer. Interestingly, 92% said they'd buy second-hand clothing from a high-street retailer if celebrities or friends did first.

Takeaway — The stigma associated with buying secondhand has gone and it is no longer a reflection of income or social status. For the young it is seen as being resourceful and considerate to the environment. But, it's not something younger people want to do alone needing friends and celebrities to offer up examples. No longer repackaged as 'Vintage', this is proudly secondhand and not being afraid to admit it.

Famous Ethical Examples

People are waiting for “permission” and need their friends, families and celebrities to lead in the way in this ethical/second-hand dressing arena. Taking it to the extreme was “This Country” star Daisy May Cooper arriving on the Bafta red carpet recently. Wearing a black bin bag dress made for her by her mum and her friends, she cited the reason being that she donated the money she would have spent on a “normal dress” to her local food bank.

Speaking to ITV on the red carpet about her daring look, she said: “I wanted people to say, ‘Oh what are you wearing? Gucci?’ No, just bin bags.” Asked if she designed it herself, she replied: “No, my mum did with her two friends Viv and Sharon, but I decided instead of wearing a normal dress, I’d donate what I would have spent to charity and wear bin bags. There is a reason behind it.”

Takeaway - The red carpet is being increasingly seen as something indulgent and wasteful with many incredibly expensive and intricate designs being only worn once. While this is a more extreme example, and there is an element of attention seeking here, the message feels genuine and heartfelt and we will start to see more celebrities making an ethical statement and proudly wearing something more than once and letting the public know about it. This will be the permission people need to follow suit. There could come a time when wearing something new is frowned upon.





Summary

The Industry survey discovered that people still have the desire to buy more, but they would like things that offer a more sustainable/ethical approach.

Brands that can harness this energy into effective and efficient models, not only stand to save money and make money, but get that warm, fuzzy feeling from consumers.

Physical retailers have a big opportunity to help with their in-store recycling areas and with over two thirds of people considering some kind of pre-owned fashion there is an opportunity to do something with this returned product. Nearly 2 in 5 people said they would consider buying from a brand's own secondhand store/department. It could create a new in-store dynamic and potentially bring in a new type of customer.

Rental is also an opportunity for brands and they could also use the secondhand store/department as an outlet at the end of life for these items.

Many of these ideas are intertwined, but it will be a process of trailing the various links to maximise the cycle and prolong the life of items as far as possible.

Brands have an opportunity to lead here and take the full halo effect of this caring and sharing economy. The environmental benefits are clear, but many of these ideas will rest on economics and convenience.

About this report and future reports

Sample Information - This report is based on 1,030 samples, 499 male, 536 female. Split evenly into 6 ages groups - 16-24, 25-34, 35-44, 45-54, 55-64, 65+, in 4 main demographic areas - North, Midlands, South, London, and divided between the socio-economic groups - ABC1, C2DE, 531 and 499 respectively.

During the summer of 2019 we will publish three in-depth “In Focus” reports delving deep into Britain’s fashion shopping habits.

Just How Influential are Influencers?

Currently live in The Intelligence section of our website

Reuse, recycle, rental: how sustainability is driving new fashion business models

How and where they spend it: current behaviours and future intentions

Coming August 2019

This report was written by contributing editor Marcus Jaye and edited by Editor in Chief Laretta Roberts using data collected by consumer research experts Savanta.

For more information on future reports and to commission a bespoke report, please contact Chief Partnerships Officer Antony Hawman

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