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Entrepreneurship in the Fashion Industry: A Case Study of Slow Fashion Businesses

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Abstract

In this chapter, we explore entrepreneurship in the slow fashion industry at a time of significant restructuring in the global fashion industry. Drawing on a case study of self-employed designers in the slow fashion industry in Geneva (Switzerland), Rotterdam (The Netherlands) and Toronto (Canada), we argue that small, slow fashion businesses, through their innovative design, branding and retail practices, have carved out a unique niche in the hyper competitive fashion marketplace. In particular, we demonstrate that they have a very innovative approach to sustainability, characterized by an interest toward the use of salvage materials, the revalorization of craftsmanship, as well as a tendency for handmade productions. Driven by personal beliefs and values, these designers seem to wish to reconcile personal fulfillment with professional achievement as they seek to compete with the paradigm of fast fashion that continues to dominate the

fashion industry. This paper contributes to our understanding of the entrepreneurial practices of emerging designers, in particular in the slow fashion industry. It also contributes to the emerging studies in fashion and design-oriented industries that consider the value craftsmanship and the wish to “stay local”, predicting a rise or return of the makers and small-scale manufacturing in contemporary cities.

Introduction

This chapter explores entrepreneurship in the sustainable or slow fashion industry. This is a time of significant restructuring in the fashion industry. As global luxury brands seek to reinvent their image (Moore and Birtwistle, 2004; Tokatli, 2012) and the prowess of fast fashion in the contemporary fashion marketplace continues to grow (Sull and Turconi, 2008), the slow fashion industry has begun to emerge as an alternative option (Bhardwaj and Fairhurst, 2010; Pookulangara and Shepard, 2013). A key manifestation of this sector is in new independent fashion designers and entrepreneurs who seek to ‘stay local’, in order to exert greater amounts of control over the production process, while also infusing an artisanal ethos into their collections.

This chapter will draw upon empirical findings based on interviews with self-employed designers in the slow fashion industry in Geneva (Switzerland), Rotterdam (The Netherlands) and Toronto (Canada). Beginning with a theoretical analysis of the slow fashion industry, the study will explore the entrepreneurial motivations and strategies of these fashion designers. It becomes clear that these small, slow fashion businesses, through their innovative design, branding and retail practices, have carved out a unique niche in the hyper competitive fashion marketplace. The chapter concludes with a discussion of the main challenges facing the development of this segment of the fashion industry, and it suggests themes for future research.

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Literature Review

‘Hard to control and difficult to regulate’: Structural challenges facing fashion’s production system

Over the last twenty years and intensifying in recent years, is the speed at which clothing can be produced. Agins (2000) mentions four ‘megatrends’ that have permanently altered the fashion industry: the gradual inability of Paris designers to

dictate the world's fashion agenda; the growing 'casualization' of the workplace; consumer value changes associated with the rise of fast fashion; and the designers themselves, whom are argued to have stopped taking risks with fashion. As brands became increasingly affordable and accessible due to low-cost production strategies based on overseas manufacturing contracted out to the lowest bidder, clothing continues to pile up not only people's closets but landfills too.

As a consequence, broad concerns relating to sustainability stand out in the fashion industry (Caniato, Caridi, Crippa, & Moretto, 2012). The first relates to the industry's dependence on natural resources required to produce garments. Whereas an increasing amount of synthetic fibers have gained the industry lately, the use of natural fibers such as cotton and wool are still common practice among textile producers. Even though the preparation of natural fibers relies less on chemical processes than synthetic ones, they usually require a lot of water, which in turn casts doubt on which type of fibers should be privileged (Fletcher, 2008).

The second relates to pollution: on one side production methods and more specifically chemical dyeing processes for textiles which lead to the important release of chemicals and pollutant through discharges in water and other releases in the environment; on the other side the global scale of production and distribution need to rely on fast and cheap transportation. The third aspect deals with the poor working conditions resulting from outsourcing strategies. The case of the Bangladesh factory collapse in April 2013, which was producing clothing for global fast fashion brands, highlighted the dangerous working conditions faced by this labour force in order to satiate consumer demand for a cheap t-shirt.

Furthermore global fashion firms are experiencing difficulties in managing their supply chain efficiently within a globalized system of production which has become increasingly complex and which lacks both transparency and full traceability. Vermeulen and Ras (2006) highlight the difficulties arising in controlling, managing and tracing fashion supply chains from one hand to another. By outsourcing part of their supply chain, fashion brands have pressured their manufacturers to provide a larger output in a smaller amount of time at the expenses of partly losing track and control of the entire process.

The emergence of slow fashion as an alternative

As a general trend in the economy, in recent years a growing number of industries have started to adopt strategies that are more environmental-friendly. Also in fashion, although it is very costly in terms of both money and time, we can observe a trend to implement various forms of sustainability both internally and externally by both small and big fashion companies (De Brito, Carbone, & Meunier Blanquart, 2008). In particular, there is a small –but growing – segment of the fashion industry that is positioning itself as an alternative to the fast fashion model of production.

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Slow fashion, as will be described in the next section, is characterized by small, independent fashion brands, often operated by one or two entrepreneurs, who are designing and producing clothing and jewelry locally in order to control all aspects of the commodity chain.

The negative externalities arising from the production processes of fashion goods highlighted above have significantly contributed to making the fashion industry a “sensitive business area” (Caniato et al., 2012: 661). One result of these challenges is the emergence of slow fashion firms. But as will be described, they face an uphill battle in competing against larger fashion firms. Given the recent nature of these developments – both in practice and in theory – current definitions of slow fashion have yet to be widely accepted, and continue to change. This section will explore current conceptualizations of slow fashion, in order to set the stage for the empirical case study in part two.

According to UNCTAD (2010) slow fashion or eco-fashion uses textiles made of organic, natural and recycled fibres, but also “eco- fashion highlights local identities and cultures, ethnically as well as ethically” (UNCTAD, 2010: 67). In this sense, slow fashion becomes “a philosophy of attentiveness which is mindful of its various stakeholders’ respective needs (with “stakeholders” referring to designers, buyers, retailers, and consumers) and of the impact producing fashion has on workers, consumers, and eco- systems” (Pookulangara and Shephard, 2013, pp. 1-2). The emergence and rise of slow fashion can be witnessed in the increasing number of smaller fashion brands or independent fashion designers who explicitly use more sustainable modes of production, in fast fashion brands that develops sustainable lines,

such as the “H&M Conscious Collection”, in a number of prizes and awards, such as the Green Fashion Competition in The Netherlands, in various (international) organizations and governments that promote production and trade that both raise living standards, especially in developing countries, while at the same time protect biodiversity.

In this study we focus on the role of independent fashion designers that operate at the local scale, where they have the opportunity to implement (and control) sustainable, smaller scale production processes. Indeed, whereas large fashion groups struggle to green their supply chains and to achieve significant improvements in terms of social and environmental impacts, smaller brands seem to enjoy more flexibility and ease in positioning their operations and brands more sustainably. One example of their commitment to sustainability is to keep production close to home, which may lead to a return of the city as a place for manufacturing. Furthermore, frequently developed by self-employed fashion designers or small associations of designers, these brands have multiplied on the market thanks to the nearly free publicity, visibility and marketing opportunities offered by the internet and web 2.0 technologies.

We argue that current definitions fail to take into account the value that is infused through the slow fashion production processes, in particular craft labour practices and attention to quality, that is able to strengthen the niche slow fashion firms seek to occupy. Our research seeks to address a key limitation in the current conceptualization of slow fashion and it will explore the ways in which craft ethos and emphasis on quality are introduced throughout the commodity chain and different stages of creating a slow fashion product.

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Exploring patterns of entrepreneurship in the slow fashion industry

This research draws on two different but complimentary research projects on slow fashion clothing and jewelry designers in Geneva (Switzerland), Rotterdam (The Netherlands) and Toronto (Canada). We primarily utilized qualitative research methods, in the form of semi-structured interviews with slow fashion entrepreneurs. Two designers per city have been interviewed, for a total of six interviews. The data on designers in Geneva and Rotterdam have been collected between May and June 2013, while the data on designers in Toronto between November 2012 and March 2013.

While settled in different cities and context, the interviewed designers are all working in tier-two fashion cities in high-cost countries.

While generalization of the findings may be limited, the objective is here to favor in-depth interactions with selected and accessible designers in order to draw meaningful insights that allow the exploration of patterns of entrepreneurship in the slow fashion industry. Interviews are therefore particularly suitable in this context.

Why do independent fashion designers go green?

The first aspect we intended to explore was linked to the motivations behind the decisions of fashion designers to start a business, which embraces the value of sustainability. We were interested in understanding how and why these designers have committed to sustainable fashion, focusing on their specific interests, their ambitions, their opinions about the current development of the industry as well as the position of fashion in contemporary society.

Lying at the core of their enterprises, all designers expressed a strong personal motivation to start their business in the fashion industry. This reminds the importance of personal and intrinsic convictions as a powerful tool to achieve durable change in the global fashion industry (Fletcher, 2008; Fletcher, 2010).

As one interviewee described:

“It’s busy, but I love, love, love what I do, so I don’t really feel like I’m working ever. For example, right now I’m in the store and making jewelry and I guess it’s technically work but it doesn’t feel like it. I don’t get much sleep. Success is loving what you do, that is what it is. I used to think I just want to make fast money, the quickest way possible, I’ll do a job that I hate as long as I make a lot of money. No, it’s terrible. You might as well love it. This is what I’ll do forever.” (Interviewee 1, Toronto)

The designers we interviewed decided to start a business in slow fashion not only because of the love for fashion, the desire to be part of the fashion industry and to be independent, but also the will to break away from the global fashion industry in order to create something different that has not been done yet.

In this respect they share one of the most important characteristics of a truly entrepreneur as they are the “first to understand that there is a discrepancy between

what is done and what could be done” (Von Mises, [1949] 1966, p. 336). In embracing the values of sustainability and engaging in a more risky production of fashion, they took the challenge to connect uncertainty with profit, and develop a new niche market. Furthermore they are not only entrepreneurs, but also creative entrepreneurs as they engage across cultural and economic values. As Aageson (2008) explains that “the cultural entrepreneur has at least two returns: to create wealth for all involved and built cultural value. The entrepreneur creates an enterprise that is both mission-driven and market focus” (p. 100). On the same line of thought Klamer (2011) argues that “a good cultural entrepreneur, so I want them to see, is good at realizing financial as well as cultural values” (p. 145).

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We argue that in the case of slow fashion, also the values of sustainability (so societal values) enter the game. As the following entrepreneur described it:

“The current market is disrupted and we have lost the notion of value. People have completely lost this, because at Dior you will buy a very expensive piece of jewelry, but made with non-precious metal and you will end up with a green finger although you have spent 600 bucks for it. These things are real and truly exist. And at the same time, when you go to the flea market you will buy a silver ring for 40 francs because it was made by a little Indian boy paid 10 cents per hour.” (Interviewee 1, Geneva).

An entrepreneur from Rotterdam echoed a similar sentiment, while also highlighting the perceived difference between fast and slow fashion.

“I consider that we were throwing a lot, that clothes we are buying from high street brands are of mediocre quality, and this irritates me quite a lot. So, basically I have this specific perception of fashion that does not suit me, I do not identify myself with that.” (Interviewee 2, Rotterdam).

As the next section will demonstrate, it is in the production process where the values behind slow fashion are realized.

Producing for sustainability

The interviews revealed the different ways entrepreneurs seek to address sustainability issues in the production process, ranging from search for organic textile to search for re-used materials and textile in order to reduce waste. One interviewee, in particular,

revealed a strong and personal interest for the environment. Willing to produce as organic as possible, she explained that while researching and sourcing materials was very costly time wise, in the end, it allowed her to produce a product that she knew the origins of, and was proud to produce:

“I looked deeper into this in order to know where things were coming from and, in my opinion, what seemed to me to be the ‘cleanest’ was the hemp, the linen and things like that; these are quite clean for the environment, as producing them does not destroy grounds.” (Interviewee 2, Geneva).

In addition, even when a good material is found, there are certain issues linked to trust and transparency in the relations with manufacturers that make the production process more risky and costly. There is also a shared distrust for the certifications. Designers appear not to pay much attention to these international certification marks, and if they do, it is with a rather critical eye. Interviewees also reported their frustrations in dealing with fabric mills and suppliers.

“The fabric mills, where we get our fabric from – and which we have no control over – they are failing us. They deliver one fabric, that our studio will test sample yardage, and shipping another that’s completely different in terms of quality. So we’re cutting a sample that’s washable, produce it and then find out it shrinks 4 inches. That’s out of our control.” (Interviewee 2 – Toronto)

At the same time, even though the concern for materials may not be primarily driven by sustainability concerns, some interviewees revealed choices that may to some extent open the way to a broader perception of what defines sustainability. If we take a closer look at buying patterns and production processes developed by these interviewees we discovered a whole range of different practices: ranging from purchasing recycled and leftovers materials on an as-need, just in time basis (Interviewee 1 – Rotterdam; Interviewee 1 – Geneva) to buying vintage clothes and transform them into new garments handmade sewed (Interviewee 2 – Rotterdam). Another interviewee (2 – Toronto) reported designing with sustainability in mind.

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To them, this meant designing with consistent, classic style and using complimentary patterns, so that over time, long-term customers would ‘build a wardrobe’. Through emphasizing the longevity of their designs – in addition to focusing

on the quality of the product – the designers seek to break the cycle of disposable, trendy clothing.

An overarching goal of interviewees was to reduce the amount of waste that goes into making a product as well as a smart and strategic choice that allows the company to be more flexible and adaptive to demand, cutting costs down by reducing risks of buying materials that they will never use.

Conclusion

This chapter has presented a case study of slow fashion designers, in clothing and jewelry, in the cities of Geneva, Rotterdam and Toronto. It has explored the entrepreneurial motivations, design and production processes, and branding strategies of these firms. The study contributes to our understanding of the entrepreneurial practices of emerging designers, in particular in the slow fashion industry. It also contributes to the emerging studies in fashion and design-oriented industries that consider the value craftsmanship and the wish to “stay local”, predicting a rise or return of the makers and small-scale manufacturing in contemporary cities.

A key finding from this research confirms the lack of a clear definition of what is sustainable fashion and what makes it so. This observation in turn allows looking at sustainability in the fashion realm as featuring a wide range of possibilities. However, focusing on self-employed designers currently developing their business in sustainable fashion, the most common and recognized sustainable landmarks have been challenged.

Self-employed designers in slow fashion have a very innovative approach to sustainability. The concepts and experiments developed by these designers have indeed favored the rise of an interest toward the use of salvage materials, the revalorization of craftsmanship, as well as a tendency for handmade productions. Very present in the production processes of each of the interviewed designers, these characteristics tell for a conception of fashion in complete opposition with the current state of the fashion industry. Driven by personal beliefs and values, these designers seem to wish to reconcile personal fulfillment with professional achievement.

However, there are also challenges facing independent, slow fashion firms. Is there a consumer market large enough to support slow fashion designers? What is the role of regulation and oversight bodies to certify sustainable production? Is this segment of the

industry destined to remain a niche sector on the fringes? Or will slow fashion mirror the “slow food” movement and rise?

In conclusion this segment of the fashion industry is developing in a fascinating area of study with many avenues for fruitful future research.

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