TEACHING MODULE

THE FUTURE OF FASHION

DECEMBER 2010
This teaching module was independently written by the Aspen Institute Business and Society Program with the generous support of LEVI STRAUSS & CO.
The fashion industry offers a compelling case study for exploring business sustainability issues. In the fashion industry, as in many industries, success requires highly developed sourcing, design, manufacturing, and marketing chains. Increasingly, success also means incorporating sustainability in resource and labor management, as firms realize that long-term corporate survival will depend on new ways of doing business. Climate change, resource challenges, new technologies and dramatic shifts in the global economy are already impacting the industry. The nexus of these concerns allows students to explore sustainability challenges while providing a framework for discussing new business models and management techniques for the future. Given its enormous reach and connection to important business topics ranging from climate change to social networking, the fashion industry’s practices provide broadly-relevant lessons for future business leaders in all fields as they focus on ways to minimize negative impacts and maximize positive sustainable outcomes for businesses, stakeholders, and society.

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INTRODUCTION

Learning Objectives:
To discuss solutions to the risk-laden challenges of business sustainability while also embracing their opportunities for competitive advantage. The Module highlights a variety of sustainable pathways for business development and enables discussion of the best approaches to resource management, globalization, labor, and ethical consumption for future success. It also provides a platform to consider how sustainability is related to economic growth, and how a range of industries, including fashion, will need to change in the coming decades.

Fashion is a big deal. The global apparel, accessories and luxury goods market generated total revenues of $1,334.1 billion in 2008. And the opportunity for the industry to have a positive impact on global society and the environment is just as significant as its economic clout.

— Fashion Futures 2025[1]

The world of fashion is often depicted as a glamorous exception to everyday life, but the catwalks and high-profile designers are just the tip of a very complex, evolving iceberg rooted in the issues that many corporations face daily. The market for fashion is a multi-billion dollar global industry with the power to influence our lives and our environment, for better or for worse. It brings goods into our homes, shapes our consumer preferences, and extends across the globe through its labor, supply and marketing chains.

As companies across industries are facing the challenges of business sustainability, the current debate is how best to address these risky issues while also developing the opportunities for competitive advantage that they represent. Given its enormous reach and connection to everything from climate change to social networking, the fashion industry’s practices provide broadly-relevant lessons for future business leaders in all fields as they focus on ways to minimize negative impacts and maximize positive sustainable outcomes for their businesses, stakeholders, and society.

In the fashion industry, success requires highly developed sourcing, design, manufacturing, and marketing operations. Increasingly, success also means incorporating sustainability into resource and labor management, as firms realize that long-term corporate survival will depend on new ways of doing business. Climate change, resource challenges, new technologies and dramatic shifts in the global economy are already impacting the industry. The nexus of these concerns makes the fashion industry a valuable case study for these challenges and provides a framework for discussing new business models and management techniques for the future. Product life cycles in fashion are among the shortest in any industry, and the rapid cycle of change and adaptation makes it a useful proving ground for innovation at many levels.

This Teaching Module uses the fashion industry as a case study to focus on topics crucial to the success of businesses in a range of industries. Designed to help prepare students to lead in an uncertain future, this Module discusses topics that will shape outcomes across industries, including sustainable resource management, the challenges and opportunities of global growth, workforce management, and the role of ethical consumption in business. In preparing for a future in which a growing world population, declining resources, and unsustainable practices are likely to play significant roles in industry operations, will business as usual be sufficient or will methods need to change in the coming decades? How should the fashion industry, and others, prepare for the long term?

As part of the Aspen Institute’s Business and Society Program mission to develop leaders for a sustainable future, CasePlace Teaching Modules provide faculty with a selection of cases, articles, background reading and other material related to a given theme. The goal of this Module...
is to help future business leaders prepare for the challenges of shaping a sustainable future through the lens of the fashion industry. Fashion Futures 2025: Global Scenarios for a Sustainable Fashion Industry, produced by Forum for the Future and Levi Strauss, served as the initial inspiration for this Module and is included here with other readings designed to provide teachers with substantive material for classroom use. Each of the following topic sections includes introductory text laying out the relevance of the issue, as well as a selection of case and other reading material intended to form the basis of classroom discussion, with a list of supplemental material for more in-depth reading. Two final sections include Teaching Questions to guide discussion and a selection of additional background material for those who wish to go deeper.

Teaching Topics:
1. Resource Management: Sustainable Futures
2. A Global Future: Challenges and Opportunities
3. The Future of Labor Management
4. A Future of Ethical Consumption?

Core Readings:

- **Fashion Futures 2025: Global Scenarios for a Sustainable Fashion Industry** [Report]
  If we understand what the future may hold we can prepare for it, spot promising new ventures and even help shape the direction it takes. Visionary brands have a huge opportunity to lead the way with their values and position themselves for success in the marketplace.

- **Fashioning Sustainability: A Review of the Sustainability Impacts of the Clothing Industry** [Report]
  This report is an introduction for anyone wanting to know about the social and environmental impacts of the clothing industry.

- **FutureFashion White Papers** [Book]
  Discusses sustainable fashion and offers safe environmental practices for industries and consumers; the goal of this resource is to prove that style and sustainability can coexist.

- **Sustainable Clothing Action Plan** [Report]
  Provides a broad overview of issues concerned with sustainability in the fashion world.

- **Sustainable Fashion and Textiles: Design Journeys** [Report]
  Presents a new vision of sustainability in the fashion and textile sector that brings together lifecycle environmental impacts, practical alternatives, design concepts and social innovation, and frames them in a sustainability context.

- **Well Dressed? The Present and Future Sustainability of Clothing and Textiles in the United Kingdom** [Report]
  What would happen if we used different fibers, different farming practices, washed and disposed of our clothes a different way, or kept our carpets for longer?

Supplemental Reading:

- **Sustainability and its Impact on the Corporate Agenda** [Report]
  Sustainability—the goal of sustaining economic growth while maintaining natural ecosystems while assuring the equitable distribution of goods and services—is an increasingly urgent agenda item for business.
THE FUTURE OF FASHION

RESOURCE MANAGEMENT: SUSTAINABLE FUTURES

Learning Objectives:
To highlight the effects of unsustainable resource use, giving students a window to discuss the widespread implications of resource management throughout a product's lifecycle. This section illustrates the history of resource degradation, particularly in developing countries, and how many companies and societies are moving, if incrementally, toward more sustainable practices. It also shows how stakeholders at all levels of production may be motivated toward sustainability, even if for different reasons, and illustrates the tension between the pressures of short-term production and long-term sustainability.

Issues of resource sustainability are increasingly important to businesses as factors like climate change and pollution affect resource viability, and increasing demand for material drains existing stocks.

Companies concerned with the viability of their business models are being forced to consider where previously “inexhaustible” supplies will come from, and societies are increasingly concerned that socially and environmentally sustainable practices be followed, and are establishing laws to enforce them. These articles discuss potential solutions to these problems and weigh the roles and responsibilities of business, consumers, and government in deciding future strategies for resource management.

The fashion industry already faces a number of resource-related issues, and like other industries will have to develop ways in which to address problems of waste management, energy efficiency, pesticide and other pollution, emissions, and the lifecycle of the finished product. The integrity of the water and soil used in production has significant impacts not only on the lives of those directly involved in the supply chain, but also on the future availability of those essential resources and the operations of firms which use them.

Fashion products can have significant environmental effects throughout their lifecycle, and the readings in this section examine some of the largest areas of impact, including textile production, care, and disposal, and how firms are beginning to address issues of environmental performance throughout the supply chain. In addition to strategies like improved energy efficiency, alternative inputs and streamlined supply chains, future solutions to these issues may also include using technology to remap the production process in new and innovative ways. As the final section discusses in more detail, consumers are also part of the resource challenge, opening the discussion here on more sustainable ways to care for clothes post-sale.

If resource pressures continue, firms positioned for long-term success will be those finding innovative ways to reduce their environmental impact through more efficient use of resources, the creation of more environmentally-friendly alternatives, improved technologies, recycling, and effective knowledge management to allow the incorporation of innovation into their operations. Such efficiencies will ensure continued resource availability on a broad scale, but also better position the individual company for success by bolstering their competitive advantage. Adapting to the realities of resource constraints can only benefit firms as they look to the future.

Resources are finite and lifecycle and other initiatives are critical to finding innovative approaches to a sustainable future. Companies are often several steps removed from their raw material suppliers, and while individual firms can lead the way, broad change in the future will likely require collaborative public and private efforts on an industry-wide scale.
Teaching Cases:

**Deja Shoe (A, B) [Case]**
Deja Shoe’s founder and new management team want to develop a business strategy based on pro-environment principles to enable the firm to out-compete established industry players Nike and Timberland.

**Marks & Spencer [Case]**
As the economic downturn impacts on retail business, Richard Gillies, head of M&S’s new sustainability plan Plan A, is asked to create a business case for the different initiatives to move forward.

**‘Green Cleaning’ through Soap of Environmental Consciousness and Water of Social Consciousness [Mini-Case]**
Green Clean Inc. is an example of how high quality customer service, productive work environment and a healthier planet are goals that buttress each other.

**Planet, People and Profit: Breaking through the Finish-Line of the Race [Mini-Case]**
Brooks Sports, Inc. is a footwear company committed to environmental sustainability in all of its business channels including product design, packaging, and distribution.

**Sustainability Management at Nau Inc [Case]**
Nau was created by senior management from an outdoor apparel company and founded around sustainability concerns.

Articles, Reports, and Working Papers:

**15 Minutes with Hannah Jones [Article]**
What goes in and out of fashion changes continually, and the apparel industry likes it that way because it creates a constant demand for new products. But it also poses a challenge for Nike as the company attempts to reduce its environmental footprint and become greener.

**Cambodian Factories Seek Eco-Friendly Power Alternatives [Article]**
Cambodian garment factories evaluate the environmental and financial costs of their energy use and test alternatives for reducing energy use.

**Cleaner Production in the Textile Industry, Lessons from the Danish Experience [Working Paper]**
Introduces the concept of cleaner production, a preventative environmental strategy, and how it can be applied in the textile manufacturing process.

**Innovation and Knowledge Adoption for Local Firms in the Value Chain: The Story of ‘White Gold’ from Uzbekistan [Working Paper]**
Examines Uzbekistan’s relationship with cotton and discusses possibilities to develop their commodity export market into a more value-added industry.

**The CEO Water Mandate [Essay]**
The leaders of six of the world’s largest companies have issued a call to action urging fellow business leaders to take immediate action to address the emerging global water crisis.

**The REIght Stuff [Article]**
The outdoors equipment and clothes retailer takes a long-term look at sustainability, including the challenges of paper usage, waste reduction, packaging and product stewardship.

**Waste Couture: Environmental Impact of the Clothing Industry [Article]**
This report provides an overview of the environmental impact that clothing can have during its life cycle, from material creation to manufacturing to care and disposal.

Weaving Businesses Together [Article]
Organic Exchange, a non-profit organization, uses market forces to create a transparent network through which buyers and sellers can purchase organic cotton.

Supplemental Reading:

**Freshwater Resources: Managing the Risks Facing the Private Sector [Report]**
Discusses the future outlook for the management and conservation of water with regard to challenges that all industries will face in the future.

**Impact of Textiles and Clothing Industry on the Environment: Approach Towards Eco-Friendly Textiles [Article]**
Provides a summary and introduction of sustainable textiles that are currently in development or on the market.

**Mapping of Evidence on Sustainable Development Impacts That Occur in the Life Cycles of Clothing [Report]**
A comprehensive overview of the environmental impacts created during the entire life cycle of clothing.

**One CEO’s Trip From Dismissive to Convinced [Article]**
Describes the journey of a leading carpet production company, Interface, in its quest to create a largely renewable textile and engage in more sustainable production and distribution practices.

**Sustainability Report from the International Association for Soaps, Detergent, and Maintenance Products [Report]**
A cleaning industry viewpoint on how to be proactive in addressing consumer concern over sustainability and environmental issues.
Globalization is characterized by the free movement of goods, services, people and ideas, and often by social and economic inequality.

For decades the trend toward increasing globalization has been an ongoing issue in business, and the fashion industry is no exception. Cross-border growth not only allows companies access to more extensive supply chains and markets, but also presents significant challenges to operations, efficiency, and ethics. Companies are often removed from their suppliers precisely because supply chains have gone global. Even with the best of intentions it can be a challenge to know where material comes from, who sourced it, and under what conditions. Intellectual property protection, human rights issues, trade barriers, and emerging markets all present unique challenges, as well as opportunities.

The following material allows for discussion on the role of global conduct for reputation management and competitive advantage. How can companies tap into the benefits of flexible supply chains without falling prey to the pitfalls of expansion? This section focuses on the global nature of fashion through issues likely to confront firms in the future, including international supply chains, supplier relationships, legal and trade standards, and the impact of globalization on competition.

International production, markets with disparate standards and preferences, and other challenges of navigating a worldwide supply chain will confront businesses far into the future. The fashion industry operates with widely distributed supply chains and demands rapid turnaround on constantly changing product lines. Given its cross-border nature, many of its inputs are subject to international laws and regulations, including trade subsidies and restrictions for products like textiles. What role is government and self-regulation likely to play for companies?

At the same time, there is rising tension between globalization and localization, as multinational firms adjust to local needs in an attempt to engage consumers. For long-term success companies should also consider how their operations directly affect the communities in which they operate. Some of the companies discussed here succeed by effectively managing their supply chain and product offerings in ways that address workforce and environmental concerns. This approach is likely to provide a viable pathway for companies as they face both the pressures and opportunities of globalization in the coming decades. Companies could quickly adapt their offerings to meet local market needs while still accessing the benefits of global production and delivery systems.
## Teaching Cases:

**Can Knockoffs Knock Out Your Business? [Case]**  
Counterfeits of his company’s adventure gear and clothing are on the rise, and Bronson is hell-bent on stopping them; his quest has cost a lot of money, however, and the problem seems to be getting worse.

**Esquel Group [Case]**  
Esquel Group is one of the world’s leading producers of premium cotton shirts, and among the most dynamic and progressive global-scale textile and apparel manufacturers.

**Expanding the Playing Field: Nike’s World Shoe Project (A, B) [Case]**  
Discusses Nike’s efforts to produce a range of affordable, durable, and easy-to-produce sports shoes to effectively reach the huge untapped market in emerging economies.

**Fabindia Overseas Pvt. Ltd. [Case]**  
Fabindia is a for-profit Indian retail company providing employment to weavers and traditional handicraft artisans in rural India. This case focuses on the challenges of managing this local supply chain.

**Levi Strauss & Co.: Global Sourcing [A, B] [Case]**  
In 1993, senior managers at Levi Strauss & Co., the world’s largest brand-name apparel manufacturer, were deciding whether the company should have a business presence in China, given the human rights and other problems there.

**Market and the Mountain Kingdom: Change in Lesotho’s Textile Industry [Case]**  
To explore the influence of trade protection and liberalization on foreign investment and economic policy decisions in Africa.

**MAS Holdings: Strategic Corporate Social Responsibility in the Apparel Industry [Case]**  
MAS Holdings is a Sri Lankan manufacturer of women’s apparel faced with the realities of competition from other sources, particularly China. The case illustrates the firm’s use of corporate social responsibility as a strategic tool in global competition.

**Subsidies and the Global Cotton Trade [Case]**  
This case describes the competitive advantages that U.S. farmers enjoy in the global cotton industry and how market barriers distort global competition.

**The Promise and Perils of Globalization: The Case of Nike [Case]**  
The case illustrates the company’s evolving definition and commitment to good corporate citizenship and the controversy surrounding the company’s practices in this arena.

## Articles, Reports, and Working Papers:

**Globalization in the Apparel and Textile Industries: What is New and What is Not? [Report]**  
Examines globalization’s impact on the supply chain and distribution network for clothing with a focus on the rapid turnaround required.

**The Impact of the Second Hand Clothing Trade on Developing Countries [Report]**  
Examines the impact and reach of the second hand clothing industry with a particular focus on the socio-economic consequences of this market in West African countries, and how reducing this trade may encourage local industry development.

## Supplemental Reading:

**Fugitive Denim: A Moving Story of People and Pants in the Borderless World of Global Trade [Book]**  
A thoughtful, ultimately hopeful look at how our choices about something as mundane as jeans can alter the lives of people 10,000 miles away.

**Outsourcing at Any Cost? [Case]**  
Do corporations ever have a moral obligation not to outsource?

**Taking the High Road [Article]**  
The author argues that, although many companies seek to become competitive primarily by reducing costs such as labor, there is another option.

**The Travels of a T-Shirt in the Global Economy: An Economist Examines the Markets, Power, and Politics of World Trade [Book]**  
Uses a t-shirt to illustrate crucial lessons in the globalization debate and to demonstrate the impact of markets and politics on both rich and poor countries.
The move toward increasingly global supply chains has helped spotlight the role of workers along those supply chains.

There is an ongoing debate between those who argue that low-wage jobs are better than no jobs at all, and those who want to avoid this “race to the bottom” by ensuring that all companies are held to higher standards. While labor issues are certainly linked to globalization, it is only one piece of a larger puzzle. This section looks at the issue of workforce management from multiple angles, allowing discussion on outsourcing but also on supplier monitoring, labor standards, employee development, human rights, and engaging the base of the pyramid. It also discusses ways to make the most of workers' skills as part of a sustainable labor system. All of these factors will play a role in how labor management takes shape in the coming years.

The move to find ever-cheaper labor sources causes problems for workers and employers alike, and the future of this model is in question given human rights legislation, consumer demands for more ethical treatment of workers, and workers' own increasing demands for more ethical treatment of workers, and workers' own increasing demands as in China's manufacturing sector) for fair treatment. Many firms have adapted their operations to reflect these new standards and ensure that their suppliers live up to those standards as well. Future movement in this direction is likely to continue, although it will face continued pressure from the low-cost model, particularly in difficult economic times.

The fashion industry, with its tight margins, outsourcing, short product cycles, quick turn-

around times, and where cheap inputs are often the key to profit margins, has often been charac-
terized by poor labor conditions. Supplier industries such as cotton production, often out of the direct control of individual firms, are plagued by problems with child labor or other human rights violations. Companies employing workers at below-minimum wages, under sweatshop conditions, or using materials deemed unsafe for use in Western countries have been called out and put on trial in the court of public opinion. Labor issues are not limited to the negative, however, and companies are finding that they can enhance their competitive advantage by investing in their employees, for example, or by tapping into resources at the base of the pyramid in ways that produce positive outcomes for both labor and management. The continued push for innovation, both in terms of worker-advanced knowledge and the need for higher-skilled labor for high-tech methods, is also in conflict with the low-cost strategy. From any angle, there are labor-related challenges for companies to face if they are to succeed in the future. Given the labor-intensive demands of the fashion industry's operations at all stages of production, it should be at the forefront of changes as adaptations are made in the future. ■
### Teaching Cases:

#### Attacking the Roots: Shiraishi Garments Company and an Evolving Thicket of Business Ethics in China [Case]
This case examines the management underpinnings of conducting socially purposeful business in contexts where the labor conditions and ethics are questionable.

#### Charles Veillon, S.A. (A) [Case]
The top management team at Charles Veillon, a Swiss mail-order company, is considering whether to work with a human rights organization to monitor the labor practices of its suppliers.

#### Improving Work Conditions in a Global Supply Chain [Case]
The authors conclude that global brands could help improve working conditions in supply chain factories by working with suppliers to introduce new management systems.

#### Levi Strauss & Co. (A, B, C) [Case]
This case explores the decision by Levi Strauss to close a manufacturing facility in San Antonio, Texas and outsource production to Costa Rica.

#### Men's Wearhouse: Success in a Declining Industry [Case]
Most retailing firms have traditionally been staffed with poorly paid, poorly trained, part-time help, and often experience tremendous turnover. The Men's Wearhouse has managed its organizational culture in a way that supports employees and has led to success.

#### Monitoring Factories Around the Globe: The Fair Labor Association and The Workers Rights Consortium [Case]
In 1999, the nonprofit Fair Labor Association was launched to monitor factories around the world for sweatshop-related infractions. Another key nonprofit player, the Workers Rights Consortium, was launched in 2000. The two organizations had similar goals, but very different histories, strategies, and ways of operating.

#### Taking Jobs to Bangladesh's Poor [Case]
They are among the poorest people in the country, but 40 women among them now work for a thriving company called Hathay Bunano that sells hand-knitted baby clothes and toys to customers in Europe, Australia and the US.

#### Worker Rights and Global Trade: The U.S.-Cambodia Bilateral Textile Trade Agreement [Case]
Examines the political and economic dimensions of the campaign to improve workers’ rights around the world through the inclusion of labor standards in international trade agreements.

### Articles, Reports, and Working Papers:

#### Improving the Conditions of Workers? [Article]
Many claim that international labor standards are a remedy for poor working conditions and low wages in developing countries, while others argue that efforts to impose a “living wage” or improve working conditions can lead to higher labor costs and hurt the very workers these movements seek to protect.

#### In China, a Labor Movement Aided by Modern Technology [Article]
Striking workers at Honda auto parts factory in China are surprisingly tech-savvy; new technological tools are giving an edge to the emerging labor movement in China.

#### The Children Behind Our Cotton [Report]
Six of the world’s top seven cotton producers have been reported to use children in the field.

### Supplemental Reading:

#### Follow the Renminbi [Article]
China is leaving behind low-wage capitalism and edging into the second stage of its globalization.

#### Nike’s Dispute with the University of Oregon [Case]
In April 2000, Philip Knight, Founder and Deputy Executive Officer of Nike, announced that he would no longer give money to his alma mater, the University of Oregon, because the university had joined the Worker Rights Consortium.

#### Rising above Sweatshops [Book]
Workers have basic rights that should not be violated, notwithstanding the geographical locale of their work, but those rights often appear to conflict with the economic and commercial needs of both developing nations and multinational enterprises.
A FUTURE OF ETHICAL CONSUMPTION?

Learning Objectives:

To understand the role of ethics and sustainability in the business-consumer relationship. The importance of ethical and sustainable production to consumers has undoubtedly grown in recent years, but how much do these concerns influence actual economic behavior? Is it enough for companies to appear to be acting ethically, or do consumers insist that firms walk the walk as well as talk the talk? Encourages debate over the relationship between corporate social responsibility and competitive advantage, the depth of consumer commitment to ethical production, and the role of reputation and public opinion.

Corporate responsibility, reputation, and green initiatives now play a role in firm strategies, as do consumer responses to businesses involved in such efforts.

How firms incorporate these factors as social and environmental change continues to intersect with the world of business will help define the future of business, in the fashion industry and elsewhere.

The direction of the fashion industry is intimately linked to its customer and community relationships. Consumer standards on style, quality and price drive much of the market for fashion, but as evidenced by the experiences of businesses like Nike, increasingly their requirements also include corporate responsibility. Consumer demand is pushing members of the fashion industry to consider the impact that their operations have on the environment, on its workers, and on society. The fashion industry is also trying to meet these challenges in the face of intense competitive pressures, and an economic environment that often provides short-term rewards for short-sighted behavior. How it navigates these difficult waters will be crucial to determining the shape of the industry in the future.

Transparency in sourcing and other business practices are key to avoiding charges of green-washing[2] and to attracting supportive consumers. Technology and innovation open up new possibilities for solutions to problems like alternative materials or more efficient packaging, but may also introduce questions about privacy and intellectual property protection. While adding to the dynamism that is inherent in fashion trends, brand and reputation management becomes much more fluid in such an environment, and good public relations are increasingly critical to success.

Technology is important for other reasons as well, including the ability of consumers to interact directly with companies around their expectations, as well as reacting to corporate behavior through social networking and other venues. Consumer demand for responsive fashion could also pave the way for technological and supply chain innovations focused on point-of-sale efficiency and customization. Related trends include local recycling and upcycling,[3] and reuse efforts, now predominantly small-scale but with the potential for industry integration and adoption.

The function of responsible business in society is an ongoing debate, particularly in the face of economic downturns. Questions around the relationship of corporate social responsibility to competitive advantage, the depth of consumer commitment to ethical production, and the role of reputation and public opinion will continue to be at issue in the years ahead.
The Future of Fashion

Teaching Cases:

Considering Profits and Principles in Technology Adoption Decisions (A, B) [Case]
The case focuses on supplier relationships and environmental concerns through the decisions the senior management faced regarding the adoption of anti-odor technology that had environmental concerns.

Nike Inc.: Developing an Effective Public Relations Strategy [Case]
An overview of the adverse publicity that Nike received after allegations that sub-contracted factories in China and Indonesia were mistreating their workers.

QQQOO: Socially Conscious Fashions [Case]
This case discusses efforts to develop a sustainable fashion line with clothing materials and styles both environmentally and socially conscious.

(PRODUCT) RED [A, B] [Case]
These cases describe the launch and initial results of the (PRODUCT) RED campaign, a social marketing initiative conceived of by U2's Bono and Bobby Shriver to combat AIDS in sub-Saharan Africa.

Teaming up to Brand and Bond: Timberland Partners with City Year, SOS, and Skills USA [Case]
Timberland strengthens its brand identity through partnerships that promote social justice and a service ethic worldwide.

Threadless: The Business of Community [Multimedia Case]
The company turned the fashion business on its head by enabling anyone to submit designs for t-shirts and asking its community of more than 500,000 members to actively participate in the design process.

TOMS Shoes: From Soul to Sole [Mini-Case]
TOMS shoes are the harbinger of what has been christened as the ‘one to one movement’—for every shoe a customer buys, TOMS donates a pair to a child in need.

Articles, Reports, and Working Papers:

A Clothing Clearance Where More Than Just the Prices Have Been Slashed [Article]
At the back entrance on 35th Street, awaiting trash haulers, were bags of garments that appear to have never been worn. And to make sure that they never would be worn or sold, someone had slashed most of them with box cutters or razors.

Capturing the Green Advantage for Consumer Companies [Report]
Consumers everywhere are concerned about the environment, but will they continue to purchase green products now that the economy has taken a nose dive?

Customer Advocacy: A New Era in Marketing? [Article]
Predicts a new era of consumer advocacy where companies provide complete and unbiased information, advice on which product is best (including fair comparisons with competitors), joint design of products, and a partnership that breeds long-term loyalty. Advocate for your customers and they will advocate for you!

Don’t Toss That Old Shirt. They’ll Pick It Up. [Article]
Features New York City clothes recycling efforts and provides context around the amount of wearable clothing that is discarded every year.

None of Our Business? [Article]
Tracking technologies make people's lives a lot more convenient, but the public is understandably concerned about the privacy issues such technologies raise. KK Inc., a manufacturer and retailer of teen clothing, wants to embed RFID tags into the bills of its caps and visors.

Sweatshop Labor is Wrong Unless the Jeans are Cute: Motivated Moral Disengagement [Working Paper]
While many consumers say they care about issues such as sweatshop labor, the existence of a very small market for ethically-produced products does not reflect this sentiment.

Supplemental Reading:

Aspen Skiing Company (A, B, C, D) [Case]
Having begun improving the environmental performance of its own operations, Aspen Skiing Company is considering “greening” its supply chain and lobbying for greenhouse gas regulations. But these initiatives risk a public relations backlash and charges of “greenwashing.”

Doing Better at Doing Good: When, Why and How Consumers Respond to Corporate Social Initiatives [Article]
This article takes an in-depth look at when, why, and how CSR works from a consumer’s perspective.

Ethical Consumers and Ethical Trade: A Review of Current Literature [Report]
Ethical consumerism is a growing phenomenon: fair-trade, conservation-driven trade and the trade in organic produce began as market niches but are making their presence felt in the commercial mainstream.

The Hidden Costs of Cause Marketing [Article]
The short-term benefits of cause marketing, also known as consumption philanthropy, belie its long-term costs.
The Influence of Corporate Social Responsibility on Peruvian Consumers’ Purchasing Behavior [Report]
The findings of this research provide empirical validation of the positive relationship between corporate social responsibility and Peruvian consumers’ behavior in the purchasing of athletic shoes.

The Seven Sins of Greenwashing: Environmental Claims in Consumer Markets [Report]
In the United States and Canada, a total of 2,219 products making 4,996 green claims were recorded. Of the 2,219 North American products surveyed, over 98% committed at least one of the sins of greenwashing.

Timberland Announces Industry-leading Packaging Initiative that Provides New Levels of Transparency for Consumers [Article]
The Timberland Company announces a footwear packaging initiative that reduces Timberland’s environmental impact and provides consumers with new information to help guide them in the purchase process.

Welcome to the Future: Smart Services Improve Quality, Lower Cost, Foster Innovation, and Help the Environment Too [Article]
Creative use of technology-enabled or technology-delivered service can be good for business, good for consumers, good for the overall economy and even good for the environment.

Will Big Business Save the Earth? [Article]
There is a widespread view, particularly among environmentalists and liberals, that big businesses are environmentally destructive, greedy, evil and driven by short-term profits, but while some businesses are indeed as destructive as many suspect, others are among the world’s strongest positive forces for environmental sustainability.

Resource & Risk Management
1. You get a call reporting that for the third time in a year, shortages of raw materials like cotton are slowing down production at your Sri Lankan garment manufacturing facility. It isn’t just your plant, either; other garment makers are facing similar challenges as lack of rainfall and labor unrest are becoming endemic to cotton-producing regions. Obviously, your company needs to find ways to adapt, but how?

2. List three current challenges to the fashion industry and discuss strategies for addressing these issues for future competitive advantage.

3. Are global supply chains inherently unsustainable? For example, what factors contribute to the true cost of making and importing fabric to a production factory and transporting the finished good to retail outlets?

4. Regardless of their personal attitudes toward sustainability, how can fashion industry executives manage the risk of climate change? Should the fashion industry approach climate change differently from other industries? Discuss.

5. Imagine a future in which the price of water has doubled. As a clothing manufacturer, what would this mean for your operations? As a consumer, how could that impact the fashion choices available to you, and how would your clothing choices and post-purchasing considerations change?

The Role of Consumers
6. Your favorite brand-name clothing company has started claiming that their products are “organic,” “100% natural” and use “bio-degradable dyes.” As a consumer, how do you evaluate such claims, what are the potential pitfalls of these labels, and what questions should you ask about what those labels aren’t saying? How can you distinguish between valid environmental marketing and greenwashing?
7. How can information on sustainable production help persuade consumers to invest in ethical products? Choose one element of clothing and develop a campaign designed to promote and ethical version of that product.

8. Is ”consumption philanthropy” like (PRODUCT) RED a viable approach to solving social issues or does that simply present collective problems as individual responsibilities and obscure the role of consumerism in creating many of these problems to begin with?

9. Should consumers take responsibility for demanding fast, cheap fashion at the expense of the environment and workers? What would this mean for how you purchase clothing? Think of the last item of clothing you bought. Would you have been willing to pay more for ”sustainable fashion”?

10. You are a manager at a multi-national clothing company concerned with its products’ impact on the environment. Given the economic climate, however, the company is concerned that such initiatives pay off financially. Considering options that include social networking, private-public partnerships, or other alternatives, discuss ways to effectively market this move toward sustainability.

Organizational Change

11. How can companies balance the need for ethical treatment of their labor force and the environment with the need to produce affordable products? Discuss ways in which knowledge management and other forms of innovation may be able to close this gap.

12. Are there lessons for the development of sustainable processes that the fashion industry can adopt from the sustainable food industry?

13. Discuss Nike’s move to provide affordable versions of its products to emerging economies; does this strategy expand their customer base, undermine their other product lines, or both?

14. The readings discuss a non-profit network for organic cotton; what other products would benefit from such a system, and would it work without a public-private partnership?

15. As companies develop new strategies to incorporate sustainability into their organizations, does it make sense to focus on proprietary methods to gain competitive advantage, or to collaborate at an industry level to establish industry standards for accountability and cost?

Business & Society

16. Given record unemployment in the US and rising labor demands overseas, do you think that in the future more fashion manufacturing may be brought back to Western countries? Discuss the potential costs and benefits of bringing globalization full circle.

17. As a manager at the local outlet of a major fashion retailer, you are shocked when told to destroy “extra” inventory. What is your response? Do you refuse, try to change the directive through established channels, covertly donate the clothes, build support amongst colleagues to urge changes in company practice or follow the order? Which takes precedence, company profit or sustainability, and how can the two be better aligned?

18. Given that low-cost clothing provides significant benefits to low-income consumers, is it “fair” to require companies to enact sustainability measures that have the potential to raise prices?

19. Should individual companies be responsible for labor and environmental oversight or should there be more regulatory bodies to take over that role and remove the burden from individual firms? How could such a regulatory body be organized, funded, and governed?

20. While handmade, artisanal fashions appeal to the fair trade and environmental market, could this model ever replace more traditional production?
TEACHING QUESTIONS: CONTINUED

Innovation

21. Think of the most recent item of clothing you purchased. Without having to remake the item from the ground up, what are some ways in which the company could make that product more sustainable? Consider issues like excessive packaging, air shipping from an online vendor, high-impact materials, or an open door at the air-conditioned store.

22. List five things that businesses could do to promote sustainability in the fashion industry.

23. What role could government involvement play in aligning the clothing industry with a more sustainable approach? For examples, discuss ways to encourage more efficient laundry, recycled clothing depots, and pricing resources like water and carbon. Compare the effectiveness of such an approach to one based solely on market mechanisms.

24. Faced with the option to install an innovative new technology that provides custom-fitted versions for several of your product lines, you are left to weigh its potential popularity with consumers against the possible need to lay off workers as a result. What direction do you take?

25. From LEDs in bike jackets to jeans recycled into rugs or even insulation, there is an explosion of technology and craft-based fashion innovation at the grass-roots level; discuss ways for the industry to incorporate these types of creativity to help shape future growth.

Additional References:

There is a scarcity of good, practical resources for designers and students interested in minimizing the environmental impacts of products. Design + Environment has been specifically written to address this paucity.

High Price of Materialism [Book]
Offers a scientific explanation of how our contemporary culture of consumerism and materialism affects our everyday happiness.

Sustainable Operations [Syllabus]
This course addresses sustainable operations in three modules: improvements in current operations (eco-efficiency), sustainable operations strategies, and closed-loop systems or product stewardship.

The Economics of Sustainability [Syllabus]
A general overview of what encompasses the term sustainability and looks at issues including natural resource depletion, energy, carbon emissions, the industrialization of food production and supply chain issues.

Notes:

Fashion Futures 2025: Global Scenarios for a Sustainable Fashion Industry, p. 5.

Greenwashing is the practice of companies disingenuously spinning their products and policies as environmentally friendly. Search “greenwashing” at CasePlace.org for additional readings.

[3] Upcycling [Website]
Upcycling is the process of converting waste materials or useless products into new materials. Similar to recycling but more concerned with making products of better quality or a higher environmental value. For more readings on various methods of material reuse, search “recycling” at CasePlace.org.