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Responsible Luxury: The case of recycling and refashioning MCM leather goods

Abstract

Sustainable fashion in all its guises has been the preoccupation of many a recent campaign, article, research and initiative. Not only is the industry increasingly aware of the need to cut its environmental impact, but also consumers and consumer organisations are putting pressures on various parts of the supply chain to comply with environmental and ethical practices.

Yet, from a management perspective, the economic impact of these demands can lead to conflicting priorities. In particular, the basic marketing concept of product life-cycle indicates the product's gradual diminishing monetary returns through time. Such product behaviour in the marketplace taken to extreme is evident in the growth of disposable fashion, with catastrophic consequences for the environment (not to mention its ethical impact).

In this paper we will be analysing the concept of a re-life-cycle of products that are either obsolete or unsalable and making a commercially viable collection. While such initiatives have been evident in the charity, second-hand and high street sectors, this paper will illustrate this concept with the case study of a luxury brand. In 2008 MCM collaborated with the London College of Fashion to reuse, recycle and redesign a number of end-of-line, dated handbags into new objects of desire with a new lifecycle.

The paper will provide a blueprint for future re-fashioning initiatives by reflecting on the marketing process as well as the commercial and non-commercial benefits of the project.

Introduction

Literature has for long been highlighting the importance of companies taking consideration of environmental and social responsibility. Already in early 1990s in 'A guide to social and environmental policy and practice in Britain's top companies' Adams, Carruthers & Hamil (1991) wrote:

"Industries must increasingly take into account the cost of the effect of its operations on the environment, rather than regarding the planet as a free resource" (p.136)

Environmental considerations and strengthening legislation have been placing increasing emphasis on the recovery and recycling of all the materials in manufactured products (Editorial, 1994). While it is widely recognized that this process may involve extra costs, it is becoming apparent that reuse and recycling can also hold unexpected benefits for a branded manufacturers and retailers.

Kassaye (2001) puts forward an argument that the decision of companies to incorporate green design is motivated in great measure by their own economic wellbeing.

This has become the impetus behind well-known fashion brands introducing reused and re-fashioned ranges into their collections. Perhaps the most famous one is Top Shop's Unique initiative, where vintage and second-hand clothes are redesign to reflect more current trends. Within the luxury sector, such initiatives may be seen as unnecessary as old products are often coveted simply because of the label and its limited availability. However, a conscious foray into re-cycling and re-design, can also be a lucrative strategy for luxury labels (Bendell and Kleanthous, 2008), as the following case study will illustrate.

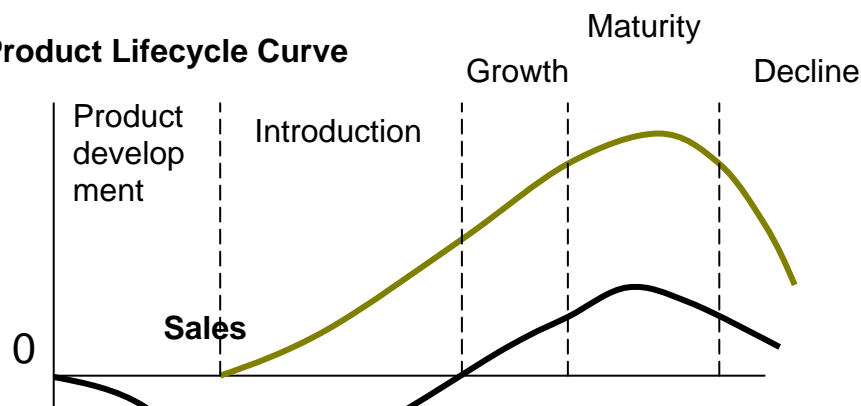
The recycling process often heightens total product lifecycle costs. In order to reduce these costs emphasis has been put on finding ways to make the process of recycling more cost effective and also, to design original products that are easier and less costly to reprocess and recycle, which has been defined as ‘design for environment’ (DeMendonça and Baxter, 2001).

Literature Review

Fashion product lifecycle

Every product has a finite lifecycle. Marketing theory puts forward a traditional product lifecycle model, also referred to as lifecycle curve, to illustrate the behaviour of a product in a marketplace at different stages. Sales are expected to grow following introduction to the marketplace (supported by targeted marketing activity), up to the point when the product reaches maturity, which indicates a level of saturation. Following this, there exists a trend of decreasing sales, and with it, profits (Day, 1981).

Figure 1. Product Lifecycle Curve



While such a lifecycle curve is evident for many FMCG products, in the fashion context there exists a greater variety of product behaviours, resulting in varying

Source: Adapted from Kotler, 2007

le... For example, styles such as straight-leg trousers, have been introduced to womens' fashions in the early 20th century and have since been fluctuating slightly in terms of popularity, but the style has persisted and shows no sign of full decline. On the other hand fads, such as jelly shoes, are an overnight hit and disappear just as quickly from the fashion retailers' shelves. It is dangerous to assume that all products behave the same within the fashion context and hence that they are equally amenable to recycling and reuse. It has even been

observed that, with fashion being cyclical, many a strange fad has come back to the fashion scene a few years later, without significant adaptations.

Another well-documented impact on product lifecycle has been the increasing frequency of new products. This has led to shortening of product lifecycles and the consequent pressure on manufacturers to produce more at an ever-decreasing cost. It has also led to a greater amount of sales and markdowns, which often constitutes wasted resources and materials. Clearly, the shortening of product lead times has a limited potential, as the product development cycle provides a physical and time-bound constraint on bringing new products to market. Here again, an opportunity exists for reusing and recycling of existing products (obsolete and terminal stock), perhaps closer to the consumer, which would eliminate extra lead times and transportation costs.

Redesigning and recycling fashion

When considering recycling and reusing it is important to identify the possible applications of this strategy. Recycling is defined by the Collins English dictionary as “the act of processing used or abandoned materials for use in creating new products”. Materials can refer to waste as well as ones used in products that have fulfilled their original function and are no longer useful. From an ethical perspective raw materials can cause a negative affect to the environment. Therefore Fletcher (2008) states materials are “our starting point for change”.

Product usefulness is however subjective, and eBay is a great example of the ability to turn one person’s junk into another’s treasure. Yet, the recycling of products in the fashion context often involves a process of re-resign or re-fashioning. This process can be applied to products that have reached the decline stage or ones that have not been successful in the marketplace.

While utilising the company’s existing design team presents clear advantages, due to familiarity with materials and styles, there also exists an opportunity for other forms of co-design. Possibilities include co-designing with other brands / designers or even with customers themselves. Clearly, such an approach would have additional operational requirements, but also a unique benefit of providing customers with a design experience (Wolny, 2005).

The following table categorises the potential benefits and dangers of creating recycled and re-designed collections from the perspective of the brand employing such

a strategy. The individual factors have been arrived at during literature review and will be subsequently illustrated through the case study of a luxury brand MCM.

Table 1 Benefits and dangers of re-cycled collections

	Benefits	Dangers
The brand	prolonging product and brand lifecycle enhancing brand image creating PR coverage prolonging sales at little extra cost collaborative partnerships co-design innovative status ethical reputation lessening wastage	Additional cost incurred in re-design product mismatch with core collection customer or brand confusion

Source: Authors

Methodology

In order to illustrate a refashioning initiative the paper will now describe the case study of MCM collaboration with the London College of Fashion to recycle a collection of handbags. The Responsible Luxury project was initiated by MCM (Mode Creation Munchen), fronted by the owner and chairperson in March 2008. The methodology adopted was action research as one of the authors of this paper was a key player in the responsible luxury initiative and worked within MCM during this time period as Deputy Brand Manager.

Case Study of MCM / LCF Responsible Luxury Initiative

Process

When she took over MCM globally in 2005 she has inherited a warehouse full of iconic cognac visetos monogram bags from the 80's and 90's. These were made out of a mix of vinyl and leather and she therefore did not want to destroy these as it would be environmentally damaging. It was also recognised that, since it was obsolete stock, it could not be sold through any of the sales channels.

When the London College of Fashion, was approached with this idea, it was agreed that MCM would donate 200 bags to LCF students for them to re-use and re-fashion the bags. The collaboration between MCM and LCF was named 'Responsible Luxury' and quickly grew to involving 200 students from Accessories, Footwear,

Surface Textile and Clothing departments before it was finally written into the 2008 curriculum.

MCM created and presented a brief to the students in March 2008 which included the following objectives:

1. Re-design back-dated MCM Cognac Visetos bags
2. Gain new value (new fashionable design aimed at a different consumer)
3. Gain new function (i.e. book cover, boots, shoes, patchwork etc)
4. Translate the ethos of the MCM brand

In re-designing the bags, the students could take apart the bags completely and use different components from the bags for other products as desired or they could re-design the existing bag by adding value to it. The students were given a pack of information on the history, philosophy and positioning of MCM and the Chairperson as well as recent advertising campaigns and articles on the brand.

Outcome

The one term project, with interim presentations to MCM, culminated in a finale in June 2008 where 30 selected students presented their design sketches, the MCM target customer and brand ethos together with their final product. 3 winners and 3 runners-up were chosen by a panel of judges consisting of MCM's Creative Director Michael Michalsky, MCM's MD Martin Mason and Vogue's Editor at Large Fiona Golfar. The 3 winners were each given a week's internship at the MCM Seoul Head Quarters together with an MCM bag.

Figure 2 ‘Winning Students and Products’



The students' work were exhibited during London Fashion Week in September 2008 and auctioned in order to raise money for a London College of Fashion scholarship fund named 'Responsible Luxury'. Hence, the objective for this collaboration was not to create commercial value or benefits by selling the products, it was rather a non-commercial initiative.

The students' work process was filmed and photographed by MCM and featured in a special dedicated section of the MCM website. The students were asked to show the original MCM bag and explain why it wasn't an object of desire and thereafter show their own work and translation of the MCM brand.

This was done in order to promote the students work and to create awareness and excitement for the project. The students and their family and friends could go to the website and see their work from anywhere in the world and MCM could show it to press and stakeholders. Especially the department store Harrods found the 'Responsible Luxury' project very fascinating and wanted to support it by displaying the student's work in the store.

MCM arranged to exhibit a balanced mixture of the finalists' work in 3 separate locations running in parallel; the MCM boutique on Sloane Street, the Egyptian Room in Harrods and a large window display by Knightsbridge tube in Harrods, which gained particular interest as a Vikuiti film showed the student interviews projected

onto the window. Most excitingly, GMTV filmed the installation of the LCF/MCM window and broadcasted the show during London Fashion Week.

Figure 3. 'Responsible Luxury Window Display at Harrods'



In addition, a Harrods' website featured the 'Responsible Luxury' collaboration, and a section of London College of Fashion's website was dedicated to the collaboration also showing the students' picture reports from their internship in Korea and pictures of the exhibitions. MCM's MyMCM website section featured four stories; the student presentations and interviews, the exhibition and window in Harrods, the GMTV show and the silent auction feature.

The project and the students work and exhibition gained press and editorial material including Harrods magazine, the Moodie Report and a selection of Asian fashion magazines.

Furthermore, a silent auction ran on the MCM website, where visitors could bid for the students' work, keeping in mind that these were prototypes and should be seen as symbols of supporting the 'Responsible Luxury' scholarship fund and not as MCM products.

Conclusions

Dangers

One of the main dangers of collaborating with outside designers is the potential for brand and product confusion due to limited understanding of the brand ethos and values. Furthermore, from a consumer perspective there may be an assumption that the products form part of the MCM core collection, which was evident during the exhibition in Harrods' window i.e. customers thought that the students' work were MCM products even though the signage clearly stated that they were LCF students' work. If the project were commercialised there is a possibility that the products could conflict with the MCM mainline, however this could be solved by creating an exclusive range or line. Quality could also be a danger, as luxury brands in general and MCM in particular has high quality control and standards. The objects created during the projects were one-offs and as such unsalable through commercial channels, but should collections were to be commercialised, the costs of manufacture would certainly be a consideration.

Benefits

MCM's main objectives was to educate and encourage students about being responsible in designing and alert them about ethical issues and especially about the fact that luxury and craftsmanship should never be thrown out, but rather be re-fashioned into new objects of desire.

One could argue that the students' re-interpretation of the obsolete products was providing MCM with new trends and product ideas, as for example the winning footwear student created a sneaker with a corporate responsibility theme, and one of the winning handbags used the laurels of the MCM logo in a way which was never done before. All the work functioned as inspiration for MCM and could eventually be turned into a commercial project i.e. the products could be incorporated into the range plan or a special range or capsule collection could be created.

For MCM the major benefit of the recycling the bags, other than lessening wastage, was the brand awareness the project created. Especially the GMTV show could never have been bought with a marketing budget, it was only viable because of the nature of the project. The exhibitions furthermore helped strengthen the relationship with Harrods, the most important department store in the UK. It also provided a collaborative partnership with London College of Fashion and it is important for any brand creating relationships with a high profile fashion college; in finding new employable talents and in harnessing the creativity of the college.

Even though this year's project functioned as a test, it was so successful that it was decided to continue the project on a yearly basis, raising money for the scholarship in different ways suitable to the season and MCM would consider turning it into a commercial project.

The college and the students highly appreciated the exposure they got through the exhibitions. Not only was it a great experience working directly with a luxury brand, but it also created incredible valuable material for their portfolios and gave them press exposures of a calibre that they would never otherwise get through a college assignment or even as a newly started designer. Especially the winning students were most grateful for the experience in Korea and the press opportunities the project provided them

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