Decoded Future: driving change through sustainability and Gen Z

By Sandra Halliday - 10 June 2019

The always-provocative Decoded Future summit in London on Thursday offered stark warnings to fashion and beauty, two mega-industries that make an impact not only on consumers but on the planet. Sub-titled *Adapting to Changing Attitudes*, the event was a wake-up call for anyone in those sectors who’s carrying on as usual in the face of climate change, evolving consumers and a young generation with very different priorities to their elders. And a key message was that change has to come…but it needn’t be a profits-killer.

The bleakest assessment came from Sara Arnold, activist and founder of rental service Higher Studio, who wondered why it has taken so long for the fashion industry in particular to wake up to sustainability and warned that “we’re almost out of time now”. Citing some very gloomy reports about the impact of pollution and the chances of halting climate change, she said we should cut our consumption levels and “at some point we are going to see food shortages and then we will regret growing crops to produce clothes.”

Most speakers seemed to think there was plenty that could be done to counter this. Labour MP Mary Creagh, who chairs the UK’s Environmental Audit Committee, called on the fashion industry, consumers and government to do more, saying: “We as consumers can’t allow fashion companies to hide behind their supply chain… I want fashion to set out its blueprint for a net zero emissions world.”

That might have seemed like blue-sky thinking on her part just a few years ago, but given that consumers are calling out for change and that the turbulent political times could mean Creagh’s party is in government at some point in the next few years, real legislation could follow.

Emily Gordon-Smith, director of consumer product at trends service Stylus, highlighted how the industry really does need to think differently in order to “preserve our precious resources, leverage longer product life, find the wealth in waste, tackle the ‘packaging monster’, and connect with conscious consumers” and she promised “your business will become stronger for it.”

She thinks fashion and other style-focused/consumer industries have an important part to play in driving change due to their ability to think creatively. “Consumer product designers should be at the forefront of changing our...”
due to their ability to think creatively. Consumer product designers should be at the forefront of changing our perceptions of waste, because with creative thinking, they can help us see ‘trash’ in a new light,” she said. “Work waste into design. This really needs to become something we think about in the whole design process just as we might think about colour or shape.”

And Sandeep Verma, MD Europe of footwear firm Allbirds, also stressed that sustainability and great product can go together. Verma aimed to dispel the myth that “when people think of ecological and sustainable, they think they’ll have to make a compromise. We want to show them they don’t. We want the product to be the driving force.”

PACKAGING SOLUTIONS

Dewi Pinatih, who heads product design content at Stylus, shone a spotlight on packaging and said “the number one challenge is sustainability,” with consumers demanding change. She said “88% of customers changed their habits on using plastics after watching the final episode of Blue Planet,” the TV show that highlighted how much plastic pollution is affecting the oceans.

Saying half of all global plastic waste is generated from packaging, she said 72% of global consumers “are willing to pay more for packaging that offers sustainable benefits” and expectations of packaging are changing, especially in luxury. “Modern luxury consumers expect packaging to represent their values rather than shouting about expense, and 71% of British French and Italian respondents expect luxury brands to use sustainable packaging,” she explained.

But giving up shiny boxes and cellophane doesn’t mean sacrificing the luxe edge. Selfridges’ distinctive yellow bags made from recycled coffee cups and Steen’s Honey’s exquisite and creative paper outer cartons (designed like a flower bud opening) prove that, she explained.

With a third all landfill packaging waste being personal care/beauty products, she predicted a big movement in beauty towards refillable packaging. Pinatih cited a new mascara packaging design with an outer case and applicator that can be used for up to 10 years while the formula is contained in a replaceable capsule.

She added that the more creative design that goes into packaging, the more benefit the brand gets: “Gucci’s antique apothecary-inspired perfume bottle is intended to decorate dressing tables long after the fragrance has run out. Such ‘heirloom packaging’ is less likely to end up in landfill and can really be a gateway into consumers’ hearts, homes and wallets.”
And of course, there's the still evolving existence of products that are completely without packaging. 'Naked' products have been pioneered in beauty by UK firm Lush and now it’s also adopting artificial intelligence and machine learning in order to accelerate the removal of packaging from its products and boost retail experiences in the process.

Adam Goswell, head of technology and R&D at the beauty disruptor firm talked about the early-stage Lush lens app with its sophisticated tech allowing consumers to aim their smartphone at a packaging-free product and get all they info they need on it, plus videos too.

And he said its Naked shops have been going down very well (100% of their products are packaging-free compared to around half in most Lush stores). And Lush opened a ‘naked’ bath bomb shop in Harajuku in Tokyo last autumn with no packaging and no plastic signage either, “just a gallery of bath bombs.” In fact, Tokyo is a hot market for the brand's new ideas. Goswell said that Lush has just launched another shop there “that's our Asia flagship with no signage and also language-free. It's the Next Generation of Lush shops, using Japan as our testbed.”

RESALE AND RENTAL

Stylus’s Emily Gordon-Smith also said the fashion industry needs to take steps that wouldn't have been considered not that long ago: “Embrace rental and resale. We heard just last week that Anthropologie and Urban Outfitters are the latest to join the fashion rental revolution and more will follow.”

But rental and resale aren't only about sustainability and they also show evolving attitudes among consumers to fast fashion, quality and ownership.

In a panel discussion between Higher Studio’s Sara Arnold, Vestiaire Collective’s Clara Chappaz, and Lyst’s Katy Lubin, the question was asked whether rental/resale's growth is really anything to do with sustainability or mainly being “about consumers wanting to get their hands on fashion product more cheaply.”

Chappaz said Vestiaire’s own research showed at least 10% of its customers see sustainability as a key element in their purchases, although “the ability to get value for money by getting access to products that are cheaper” is their top priority.

Yet Arnold, who started her business not from a ‘designers-for-less’ angle but one about “the experience you get of wearing something unusual,” said that sustainability is a driver and “I have seen a surge of customers coming to us who say they don't want to buy any more stuff.”
If some consumers are rejecting new-product-ownership in this way, is resale/rental’s growth depressing demand for new fashion? Lubin thinks not. While Lyst has seen traffic to designer luxury resale sites increasing over 300% in the last 12 months (including specialists such as Depop and StockX as well as more general sites like The RealReal and Vestiaire), “there’s still a huge amount of demand for newness.”

But if consumers really aren’t buying less, it means brands offering new fashion have to see sustainability as a must-have to avoid ecological disaster, the trio agreed. Lubin called for more transparency in the way products are described to help consumers understand what’s sustainable. And Chappaz said government must have a part to play, citing France’s planned ban on companies destroying unsold stock. Arnold agreed government action would be the only way to “get real meaningful change that’s going to stop us heading towards extinction,” citing recent suggestions in the UK that “wasteful” companies could be hit with extra taxes.

The three agreed that influencers have a part to play too, an example being when Meghan Markle’s appearance in sustainable Veja trainers sent searches soaring. “A social ambassador can shine a light and make customers question what they’re doing and change their behaviours,” Chappaz said.

**GEN Z**

That’s especially the case for Gen Z, the demographic that’s going to drive big change, that’s very focused on sustainability and the one that’s soon set to dominate the world. Stylus retail head Katie Baron said that “by 2020 they’re going to represent 40% of all consumers” and they’re offering up the ultimate example of “changing behaviours”. They represent a huge opportunity to brands and are fertile grounds for new business ideas to grow. So what actually matters to them?

Well, sustainability, of course. But there’s a lot more to them too. They’re the kings and queens of the “side hustle,” Baron said, but for Gen Z this is like an updated version of the old-fashioned ‘Saturday job’ rather than the “entrepreneurial moon shot of their Millennial predecessors.” And she offered examples of a number of businesses that are being driven by Gen Z’s side-hustle activities.

Think StockX, which she said has 11m users of which 50% are Gen Z and which has seen 200% user growth in the last year.

Think mobile marketplace Yeay, where users create shoppable videos to recommend their favourite products, services or experiences and have a number of brands working with them who only charge commission, “which shows their solidarity with the small-scale side hustler.”

Think Beautonomy, a British platform that she said “lets its community of enthusiasts create their own personalised beauty packs by curating make-up palettes. They can even establish their own range and micro brand. It’s about starting your own brand and becoming a creator.”
Baron explained that these consumers, who are the “first generation of digital natives and have very little regard for traditional formats,” like things like American eagle’s AW18 campaign where styling and photography was handed over to brand fans. They also like live-streams and content tailored for them that borrows from entertainment.

She cited Ntwrk, which offers in-app shoppable shows featuring pop culture names. Referring to a picture of shoes from a collab Ntwrk ran with Nike and Jeff Staple, she added that “those bad boys actually sold 20,000 units in just 10 seconds”.

It's another example of a world that's changing and doing so at speed, and speaker after speaker at Decoded Future emphasised how fashion, beauty and other sectors really can't stand still in the face of that change.

By Sandra Halliday