



ALL THAT GLITTER COULD BE GREEN
***How can internationally operating luxury
fashion firms cope with sustainability?***

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ABSTRACT

ALL THAT GLITTER COULD BE GREEN – How can internationally operating luxury fashion firms cope with sustainability?

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This research aims at developing the discussion on how internationally operating luxury fashion firms can cope with sustainability. To answer this research question, we conducted two case studies on two American luxury fashion firms and committed toward the sustainability issue. The results show the opportunity of working with international suppliers, the importance of defining the commitment toward sustainability as an intrinsic value for the company's culture, the importance of balancing short-term and long-term goals and the necessity of increasing customers' awareness without leveraging too much on prices. Finally, we suggest that a balance between financial growth of a business and its positive social and environmental impact is possible. It requires, however, a committed strategy to be properly developed.

Keywords: Sustainability, International, Luxury, Fashion

SUMÁRIO

TUDO O QUE BRILHA PODERIA SER VERDE – Como podem as empresas internacionais de moda de luxo lidar com a sustentabilidade?

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Este estudo procura desenvolver a discussão de como as empresas internacionais de moda de luxo podem lidar com a sustentabilidade. Especificamente, estuda os principais desafios enfrentados por duas empresas do setor, ambas com um compromisso com a sustentabilidade. Os resultados mostram a oportunidade de trabalhar com fornecedores internacionais, a importância de definir um compromisso para com a sustentabilidade como um valor intrínseco à cultura da empresa, a importância de contrabalançar objetivos de curto e longo prazo, e a necessidade de aumentar a consciência de sustentabilidade dos consumidores sem tirar demasiada vantagem dos preços. Finalmente, sugerimos que o balanço entre o desenvolvimento financeiro de um negócio e o seu positivo impacto social e ambiental é possível. Isso requer, contudo, que haja compromisso da estratégia para ser adequadamente desenvolvida.

Palavras-chave: Sustentabilidade, Internacional, Luxo, Moda

INDEX

INDEX	3
ABSTRACT	2
SUMÁRIO	2
ACKNOWLEDGEMENTS	3
INTRODUCTION	5
1. LITERATURE REVIEW	8
1.1 CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY	8
1.2 SUSTAINABILITY IN INTERNATIONAL BUSINESSES	10
1.3 SUSTAINABILITY IN THE FASHION INDUSTRY	11
1.4 SUSTAINABILITY IN THE LUXURY FASHION INDUSTRY	12
1.4.1 <i>Definition of the luxury fashion industry</i>	12
1.4.2 <i>The issue of sustainability</i>	13
2. METHODOLOGY	17
2.1 RESEARCH DESIGN	17
2.2 DATA COLLECTION	18
2.3 DATA ANALYSIS.....	20
3. EMPIRICAL SETTING	22
3.1 THE LUXURY FASHION INDUSTRY	22
3.2 PRESENTATION OF THE CASES	24
3.2.1 <i>Eileen Fisher Inc.</i>	24
3.2.2 <i>Hania New York</i>	25
4. FINDINGS	27
4.1 DEALING WITH SUPPLIERS.....	27
4.2 DEALING WITH EMPLOYEES	29
4.3 DEALING WITH CUSTOMERS	31
4.4 ASPECTS TO IMPROVE	32
5. DISCUSSION	34
7. BIBLIOGRAPHY	40
8. APPENDICES	44

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INTRODUCTION

Back to 2016, two organizations that work closely with high-end product companies, the Luxury Institute and Positive Luxury, published a report named 2016 Predictions for the Luxury Industry: Sustainability and Innovation. The study was just one tangible proof of the ongoing changes that started a few decades ago and showed that nowadays, in the entire luxury industry, social responsibility and sustainability are no longer nice-to-have – they are requirements (Winston, 2016). The reasons behind these changes are numerous, both direct and indirect. The law is constantly updating to keep up with changes in the social norms and, on the other side, expectations of customers and companies are now different than 25 years ago.

“The implicit promise (in luxury) is that the consumers need not to worry about anything. Everything is taken care of...until it isn't, at which point the whole impression of invulnerability and perfection can deflate.”

John Elkington

(Interview by Andrew Winston, Harvard Business Review, 2016, p.4)

Our research started from this quote of one of the pioneers of the studies on CSR and sustainability. We decided to study and analyze the role of luxury companies, not only in implementing international sustainable projects to address social and environmental issues, but also to detect how these companies are able to engage with customers and increase their awareness on the topic. Moreover, we decided to focus our research on one specific industry: fashion. As reported by UNEP and the Ellen MacArthur Foundation, every year, the entire fashion industry uses 93 billion cubic meters of water and around 20% of wastewater worldwide comes from fabric dyeing and treatment. Moreover, fashion industry is responsible for 10% of annual global carbon emissions, more than all international flights and maritime shipping combined (McFall-Johnsen, 2019). It is widely known that the entire fashion system represents one of the most polluting industries of the world, therefore our aim was to study tangible actions that companies can implement to fight against this huge worldwide problem. From this joined

interest for these main topics of international sustainability and the luxury fashion industry, we defined our research question as following:

How can internationally operating luxury fashion firms cope with sustainability?

From an academic point of view, there exists a large body of studies and researches both on luxury consumption and on the issue of sustainability (Kapferer & Michaut, Davies et al., Godart & Seong, Janssen et al., Joergens and many others). However, the lack of academic literature on ethical consumption in the case of luxury goods was surprising (Achabou & Dekhili, 2013). From a managerial perspective, environmental and social sustainability is an ongoing challenge: identifying successful strategies will help managers to overcome the problem as much as possible. Finally, it is worth to highlight also the potential societal relevance of the research. Consequences of the actions undertaken by firms and customers involve the society in general, referring to all the people living on the planet. There is, therefore, a need to engage in a conversation on sustainability with managers as well as with all the other members of the community. The request for tangible ways of fighting against environmental and social problems is higher than ever before and all the characters need to take an active role.

For our study, we decided to implement a qualitative research. A qualitative approach provides a deep understanding of the actual human interactions, meanings and processes that constitute real-life organizational settings (Rynes & Jr., 2004). Given the above mentioned lack of literature on the topic, qualitative research was the most suitable approach to understand the complexity of this emerging and evolving phenomena scattered over distance, in which the differentiated contexts play a central role (Birkinshaw, Brannen, & Tung, 2011). We developed a comparative case study, analyzing and comparing the strategies of two luxury fashion firms: Eileen Fisher Inc.¹ and Hania New York. The brands, other than being two internationally known and appreciated fashion labels, are actively involved in implementing sustainable practices. Through direct changes on their daily operations, their constant updates in terms of innovations and their future commitments, they represent a concrete example of firms working to obtain a positive impact on the environment and the society and obtaining successful results.

The structure of this thesis is the following. Firstly, we discuss the topic from an academic point of view in the literature review chapter. Starting from a broad definition of

¹ Eileen Fisher Inc. will be used to refer to the incorporated company to distinguish it from Eileen Fisher, founder of the brand.

corporate social responsibility and sustainability, we analyze the evolutions of the issue specifically in the luxury fashion industry. Despite the lack of specific literature, we tried to gather the opinions of the most important and known representatives on the topic. The second chapter is on the methodology, explaining in detail the reasons of our qualitative study and the method used to gather and analyze data. After, the empirical setting chapter proposes an overview of the industry and the two companies under study. Finally, the findings chapter contains our answers to the research question while the discussion chapter compares our results to the literature review, to show the effectiveness of our study also from an academic perspective.

1. LITERATURE REVIEW

In this literature review, we show that the luxury industry is always more unveiled and exposed and, therefore, it needs to respond to an always greater number of stakeholders. Luxury fashion firms are always more concerned about their sustainable paths, but new ways are needed to make customers conscious and aware of their choices and, therefore, to truly leave a mark in the world.

In a first section, we will broadly discuss the concepts of Corporate Social Responsibility and Corporate Sustainability. The variety of definitions and notions, in fact, make them difficult to be defined. We then review how these concepts are applied to international businesses, the fashion industry and, specifically, to the luxury fashion segment.

1.1 Corporate Social Responsibility & Sustainability

Over the past decades, the expectations about a business and its social responsibilities have inarguably changed and both internal and external actors have been pressuring firms to actively change their behavior, engaging in Corporate Social Responsibility (CSR) actions (Aguilera, Rupp, Williams, & Ganapathi, 2007). During the 50s, CSR policies were defined as desirable to social values of the community (Howard, 1953). Given the new social and environmental problems, the new ways of doing business and new third parties interfering with the firms' activities, this trend has drastically changed from many points of view (Amit et al., 2017). Nowadays, CSR initiatives include actions within the firm, such as changing method of production to reduce environmental impacts or changing labor relationships both within the firm and across the firm's value chain, as well as actions outside the firm, such as making infrastructure investments in local communities or developing philanthropic community initiatives (Aguilera et al., 2007). Companies are, nowadays, more and more involved in proactive social change, giving greater visibility to CSR rankings, incorporating emerging global standards of expected responsible conducts into their management system and introducing accountability initiatives in their production processes and global supply chains (Aguilera et al., 2007). In general, we can define Corporate Social Responsibility as a concept whereby companies, besides their profitability & growth, consider the interest of society and environment, by taking responsibility for the impact of their activities on stakeholders, environment and all others members of the public sphere (Amit et al., 2017).

There is, however, a substantial difference, in terms of visions, between CSR and sustainability. Even though companies use them as two interchangeable concepts, that of CSR and sustainable development (SD) are theoretically grounded and distinct (Montiel, 2008). Sustainable development is a problematic expression and few people agree on what it means (Kabukcu & Ensari, 2016). One of the most common definition is the one provided by the World Commission on Environment and Development in their 1987 report, *Our Common Future*, which defines *sustainable development as the development model that allows us to meet present needs, without compromising the ability of future generations to meet their own needs* (WCED, 1987). While CSR tends to focus on meeting and balancing the needs of present stakeholders, SD conveys greater ambition because it focuses on what we need to achieve, rather than where we are today (Olson, 2016). This research, in particular, is focused on the notion of sustainability and sustainable development.

The growing importance obtained by both CSR practices and SD led to a shift of the business focus from the only financial dimension, to other important elements pertaining a firm and its industry. Many firms are, nowadays, focusing their work on the Triple Bottom Line approach proposed by Elkington in 1994. It is defined as a framework which incorporates the financial dimension of a performance with its social and environmental impact (Kenton, 2019). The idea is that a company can be managed in a way that focuses not only on profits, but which also improves people's lives and the planet. According to the TBL theory, companies should simultaneously work on three elements: profit (traditional measure of corporate success), people (measure of the social responsibility) and the planet (measure of the environmental responsibility). Only working on these several and different items, in fact, a company can truly account for the full costs of doing businesses (Elkington, 2018). It is true that modifying corporate processes and products to follow the sustainability path can be very costly and may put a company in a losing position with respect to its competitors (Amit et al., 2017), however researches have also shown that sustainability can be a source of organizational and technological innovations for companies (Nidumolu, Prahalad, & Rangaswami, 2009). The quest for sustainability is, in fact, transforming the competitive landscape and companies will soon be forced to change the way they think about products, processes and business models. To become innovator and keep progressing, companies need to treat sustainability as a goal, because it is undeniable that it will always be an integral part of development (Nidumolu et al., 2009).

Because of their great spread throughout the business world, we decided to specifically focus our research question on multinational enterprises. Therefore, the first step to construct a good framework was the analysis of previous studies and relative findings on how internationally operating businesses are dealing with the issue of sustainability.

1.2 Sustainability in international businesses

Sustainability related to multinational enterprises (MNEs) has received increasing attention in the past decades and concerns about MNEs' impact on sustainability issues with a global scope have become more pressing than ever before (Kolk & Pinkse, 2008). International enterprises play a specific role in the field of CSR and sustainable development, given the global influence and activities in which they are confronted with a range of issues, stakeholders and institutional contexts, in both home and host countries (Kolk & Van Tulder, 2010). It is without doubt that these kinds of firms have a huge potential for innovation, which might lead to the development of sustainable products and services (Kolk & Pinkse, 2008). Of course, this increases their potential in not only being part of the problem, but also part of the solution. The decision of an MNE to address sustainable issues can be assessed with Rugman and Verbeke's (1998) resource-based framework on environmental management that explains in what instances it is likely that MNEs will commit resources to improve environmental performances. According to their vision, the resource commitments have a strategic use only if they lead to the creation of green firm-strategic advantages (FSAs), depending on the leveraging potential and flexibility on their reversibility. In many cases, environmental investments cannot easily be reversed, and firms run the risk of ending up in a green mistake scenario: that's why they are usually hesitant to engage in this kind of investment and postpone their decisions (Kolk & Pinkse, 2008). Moreover, MNEs do not only face the issue of whether or not to develop green FSAs, but also with the fact that environmental regulations differ between countries (Kolk & Pinkse, 2008). The strategic complexity for MNEs is that they have to combine FSAs and country-specific advantages (CSAs) (Kolk & Pinkse, 2008). Some authors have already highlighted the absence of a widespread regulation on social and environmental issues and how this can be considered as both a problem and an opportunity for multinational enterprises (Kolk & Van Tulder, 2010). In fact, even if there exist regulations on some aspects of business activities, this usually does not apply everywhere, and rules and compliance are likely to differ across countries (Kolk & Van Tulder, 2010). The role that a global sustainability issue plays in international businesses' strategy is not, in fact, merely a matter of dealing with local regulation,

but usually part of a broader conglomerate of factors involving governmental, societal and market forces (Kolk & Pinkse, 2008). Decision-making processes are more complex, as they involve a variety of trade-off among economic, legal, ethical, environmental and social issues. Meeting all stakeholders demands essentially forms a moving target for MNEs (Kolk & Pinkse, 2008). What is expected from international businesses constantly changes because of public opinion, regulations, competition and new scientific evidences on global sustainability issues. This means that a one-time decision to commit resources is insufficient, as they need to develop dynamic capabilities (Kolk & Pinkse, 2008). MNEs' CSR and sustainable activities are seen as becoming increasingly strategic, in the sense that they affect the core business of the firm and its growth, profitability and survival (Kolk & Pinkse, 2008) becoming a potential source of competitive advantage (Porter & Kramer, 2007). However, the impact of MNEs on sustainable development is largely unclear and needs further investigation (Kolk & Van Tulder, 2010).

The development of one single section on internationally operating firms was not enough to define a proper framework for our research question. Therefore, we decided to implement it by focusing specifically on the fashion industry. This process helped us obtaining a more complete background structure, understanding what previous studies had already defined on the same issue.

1.3 Sustainability in the fashion industry

“Sustainable fashion is not merely a short-term trend but one which could last many seasons.”

Vogue, May 2007

The trend of CSR and sustainable development has hit all the firms making serious businesses, in particular in the fashion industry. Over the past decade, in fact, sustainability and ethical conduct have begun to matter in fashion (Joy, Sherry, Venkatesh, Wang, & Chan, 2012). The fashion sector is certainly very attractive, but it also carries some peculiarities that make it difficult to manage. It is, in fact, complex because the supply chain in this industry is fragmented, complicated and global (Kabukcu & Ensari, 2016). Moreover, it constitutes a sophisticated industry, which is composed of very different actors: artisans, multinational fashion retailers and luxury corporations, among others. Kozlowski, Searcy & Bardecki have highlighted some difficulties in integrating sustainability within the fashion industry, depending on different reasons. Firstly, it is very complex to clearly define what sustainability means from an operational perspective. Secondly, issues associated with sustainability, in each of its several

segments, are different and a unique solution does not exist. Thirdly, the creation of global fashion supply chains has made complex both the introduction and management of sustainability practices through the supply chain members (Kozlowski, Searcy, & Bardecki, 2015). The pressure to fulfil the Triple Bottom Line approach has increased also in the fashion industry as more and more consumers demand higher transparency of business' operations (Amit et al., 2017). A new model for managing fashion firms based on stakeholder relationships is necessary in order to integrate strategically economic, social and environmental issues into business operations (Arrigo, 2016). After a deep analysis of different visions of sustainability in the fashion sector, we retained the definition of Shen, Richards & Liu (2013) to be the most complete. Overall, sustainable fashion can be defined as fashionable clothes that incorporate fair trade principles with sweatshop-free labor conditions while not harming the environment or workers by using biodegradable and organic cotton, designed for a longer lifetime use and produced in an ethical production system (Shen, Richards, & Liu, 2013). The sustainable goal of fashion firms, from mass market companies to luxury fashion brands, is to create a new path to lead consumers to sustainable choices in clothing. To be successful for both the company and its customers, corporate sustainability processes need to be integrated into a long-run development strategy, including many corporate processes (Amit et al., 2017).

1.4 Sustainability in the luxury fashion industry

1.4.1 Definition of the luxury fashion industry

Within the fashion industry, differences need to be made between the general mass market segment and high-end brands, because the two are not just selling different products but also following completely different business models. Although the general public might call them “luxuries”, there are three main modes for managing high-end brands and companies: the luxury business model, the fashion business model and the premium business model (Kapferer, 2013). Therefore, it may seem incorrect to talk about luxury fashion goods, as this definition represents a contradiction. Actually, Kapferer himself reports the luxury market as divided into four major categories: watches & jewelry, wines & spirits, perfumes & cosmetics and fashion items (Kapferer, 1998). It is necessary to specify that the terms luxury fashion industry will be used, in the following pages, to identify a distinct segment within a broader industry and not a particular business model that, in reality, does not exist.

“The luxury market today is increasingly driven by trust, balance and legitimacy, integrity and honesty.”

*Gaetano Cavalieri, president of the World Jewelry Confederation
(De Beers, 2009)*

Defining what a luxury good is has always been a complicated issue, but major researchers agree on some of its basic characteristics. A luxury good is, in fact, beautiful, made of excellent quality, exclusive and distinctive, and it has a psychological value attached, which confers to the owners a sense of privilege and allows him/her to nurture a dream (Kapferer & Michaut-Denizeau, 2014).

1.4.2 The issue of sustainability

To the majority, sustainable luxury may seem an oxymoron. The luxury industry has always been a target for criticism because of the waste of resources it provokes for the pleasure of the happy few. If sustainability is based on respect for the environment and the society, luxury symbolizes wasteful, thoughtless, personal pleasure, superficiality and ostentation. However, the two concepts tend to converge on some aspects (Kapferer, 2010). Actually, sustainability is deeply related to *real luxury*, because both take rarity as their central concern and luxury is by definition durable (Kapferer, 2010). Even though self-transience values appear to conflict with luxury associated self-enhancement values, some openness and conservation values like the notion of craftsmanship, art and creativity, respect for materials, quality and timelessness, are positively associated with CSR (Janssen, Vanhamme, Lindgreen, & Lefebvre, 2014). As stated by Kapferer, luxury is resource dependent and obsessed with the sustainability of its resources, representing the enemy of the throw-away society (Kapferer, 2010). It is the business of the lasting growth, with durability as the key connector between the sector and socially responsible actions. Luxury can lead the way by redefining the notion of quality and the luxury dream no more as a selfish individual one, but as one that takes into account environmental concerns (Kapferer, 2010). Moreover, if earlier on luxury products were used to confer the owners an air of success, nowadays the definition of success itself has changed and successful people want to show that they care about environmental and social issues (Bendell & Kleanthous, 2007). Back to 2007, WWF started pushing in this direction, proposing a new, fundamental definition of luxury, which involves not only a new point of view for the business but also a new role and new responsibilities for it. With the term *Deeper Luxury*, in fact, it is meant a new sense of luxury, with deeper values expressed through social and environmental

excellences. Some authors argue that luxury brands should care about their social and environmental impact for two reasons: firstly, because the challenge of global sustainability is clear and urgent; secondly, because it makes good business sense for them to improve this performance (Bendell & Kleanthous, 2007).

Fashion luxury is a constantly changing and evolving sector; therefore, it is even more difficult to relate it to long term sustainable goals. However, greater expectations arise because of several reasons. Not only the clothing and textile sector has, in general, a major environmental footprint (Nagurney & Yu, 2012), but luxury has also a huge power on customers aspirations and behaviors (Joy et al., 2012), influencing how, when and for how long consumers will use their products. That's why they have both the opportunity and the responsibility to promote sustainable consumption (Bendell & Kleanthous, 2007). All major luxury groups, like LVMH, Kering and Richemont, have already put sustainable development at the top of their agenda since years, in order to maintain and develop a dialogue and discussion with stakeholders (LVMH, 2018). The first major label to develop and believe in a sustainable trend was Stella McCartney, which started back in 2001 and early became the iconic pioneer of eco-friendly fashion and sustainable wardrobe alternatives. Since then, the trend hit the scenes and became spread among major fashion houses, which started undertaking actions and introducing new departments.

“Fashion is an industry that knows it is unsustainable, and luxury is at the top of that value chain”

*Michael Stanley-Jones, co-secretary of the UN Alliance for Sustainable Fashion
(Williams, 2019)*

While that of CSR and sustainable development is a global request, the luxury industry is likely to feel these concerns more than any other sector because luxury today is typically high profile and celebrity-driven, and so under greater public scrutiny (De Beers, 2009). Luxury consumers are increasingly feeling the pressure on their purchases and, in turn, becoming more and more discerning in their consumptions; in fact, newer and more sophisticated demands for enhanced experiences and responsible business behaviors are emerging (De Beers, 2009). Millennials are the main consumers for the luxury market: predictions state they will represent 50% of the market by the end of 2025 (BCG X Altagamma, 2019) and more than 60% of them are already influenced by sustainability when making purchasing decisions. They are, in fact,

more conscious of the environmental and social impact of their purchases and are more likely to buy from a brand that resonates with their own personal values. That's why brands which want to retain their status in the luxury market need to evolve to keep up with tendencies. Several are the trends that luxury fashion firms are following to turn waste into opportunities: luxury resale, which has been one of the biggest shifts in the industry, given the £30bn value of the unused clothing registered every year (WRAP UK, 2015); the use of unsold stock and the introduction of new materials like high-tech sustainable fibers. As customers are demanding greater engagement and a deeper experience, it is no longer just a question of what they are purchasing but also how they purchase luxury items. Moreover, they have a growing interest in the details behind the product, including where it was sourced, how it was made and what materials were used (De Beers, 2009). It is important for companies to be able to satisfy all these requests to maintain customers' trust, as it represents an extension of the philosophy of excellence that is intrinsic to the luxury industry (De Beers, 2009).

Some authors argue that authentic luxury brands are those that provide the greatest positive contribution to all affected by their creations and that identify their consumers as having the means and motivations to respect both people and the planet (Bendell & Kleanthous, 2007). Sustainable development is a process that needs to involve all the players within the industry, from the CEO to the artisans to consumers; a great issue, however, arises when consumers are asked about their opinions on sustainable luxury. Luxury customers, in fact, are likely to ignore sustainability issues in their luxury purchases, even though they hold high expectations regarding the sustainability orientation of luxury brands (Kapferer & Michaut-Denizeau, 2014). The phenomenon, also known as the fallacy of the clean luxury, defines the process through which consumers believe that luxury products have few significant negative social or environmental impacts, based on the assumption that they symbolize prestige and are highly valuable (Davies, Lee, & Ahonkhai, 2012). It is important to gain a better understanding of the factors that affect consumers' evaluations of luxury products and the way they perform these evaluations (Janssen et al., 2014). Consumers' considerations of sustainable practices are not yet powerful enough to be the most important driver of purchasing behavior: quality and aesthetic still dominate decision making (McKinsey&Company, 2019). Overall, the fashion industry is far from being sustainable, despite the yearly improvements registered: companies are not implementing sustainable solutions fast enough to counterbalance their negative environmental and social impact. An equilibrium point is still far from being reached.

The newness of the theme and its links with most recent and current events is undeniable. A great crisis in terms of environmental and social issues is hitting the globe and actions need to be undertaken. The aim of this literature review chapter was to show that studies have been made on the topic of sustainable development and its linkages with international businesses and with the luxury segment. However, as highlighted also by some authors (Davies et al, Kolk & Van Tulder, ecc.) further researches need to be developed. It is necessary, in fact, to study the connections among these elements, to have a comprehensive view of the international luxury panorama. A gap in the theoretical framework exists and should be filled in to allow managers to be fully aware of the trends and solutions that are coming up on the scenes. For the above - mentioned reasons, we intend to study how internationally operating luxury fashion firms can cope with sustainability, what are the tangible actions to undertake while also increasing the awareness of the community, from suppliers to customers.

2. METHODOLOGY

2.1 Research design

Sustainability in the luxury fashion industry is a generally known topic but, as confirmed by the lack on academic literature on ethical consumption of luxury goods (Davies et al., 2012), it has not been studied and discussed in-depth. For these reasons, we considered the employment of a qualitative research method as the most appropriate way to conduct our analysis. This approach results in a deep description and understanding of the actual human interactions, meanings and processes that constitute real-life organizational settings (Rynes & Jr., 2004). Qualitative researches not only provide a deeper understanding of micro-processes, but they can lead to the establishment of a more dynamic and robust model to analyze the interactions between culture and context in the integration of activities (Birkinshaw et al., 2011). The sustainable luxury fashion industry is a complex reality, characterized by a plurality of elements – cultural, organizational, institutional – and a qualitative approach is critical to interpret these contexts and the linkages between them and the firms that operate across international boundaries (Birkinshaw et al., 2011). In the field of qualitative methodology, case studies are one of the most used types of research as they have been proven to be especially valuable in practice-oriented fields, such as management, public administration and social work (Starman, 2013).

“A case study is an in-depth exploration from multiple perspectives of the complexity and uniqueness of a particular project, policy, institution, program or system in a ‘real life’”.

(Simons, 2009)

Furthermore, we decided to analyze multiple firms operating in the same industry, developing therefore a comparative case study. This kind of research has increased in frequency (Boddewyn, 1965) and the evidence from multiple cases is often considered more compelling and the overall study is regarded as more robust (Yin, 2009).

For our case study, we have selected two companies, namely Eileen Fisher Inc. and Hania New York. The two fashion houses have been chosen because they meet the criteria to answer our research question. First, they are both currently operating in the luxury fashion industry and they work with both international suppliers and customers. Secondly, they are particularly focused on the sustainable aspects of their businesses, considering their

commitment toward this cause as a core value of their activities. Finally, they are considered successful companies: they are internationally recognized for their financial and sustainable impact, and they have been interviewed by worldwide known newspapers and invited to panels and events. Regarding sustainability, they are signatory of the 2020 Circular Fashion System Commitment together with some of the most prestigious luxury brands and they have been awarded for their work on sustainability (2019 CFDA Award to Eileen Fisher Inc.²). The process that led to the selection of these two companies was not obvious or simple. The selection process started with an analysis of the latest events and actions undertaken by major luxury fashion companies in terms of sustainability. Once we identified the most important players, we decided to contact first the most influential brands, such as Stella McCartney, Gucci, Vivienne Westwood and Louis Vuitton. Unfortunately, many of them told us that all the available information was already uploaded on their website and that they cannot currently disclose more. We then decided to get in touch with minor brands, such as Mara Hoffman, Allbirds and Amara. Among them, the only two that replied us, showing their availability and commitment were Eileen Fisher Inc. and Hania New York, that we decided to analyze. As much as we would have liked to study and compare more brands within our research, we decided to limit this number to two also given time constraints. **TABLE 1**, in the appendices, reports a list, in alphabetic order, of all the contacted companies.

2.2 Data collection

For our research we relied on both primary and secondary data, including: semi structured interviews with people working for the sustainability department of the two companies, internal documents, articles, podcasts and videos which were considered inherent and contributory to the study. We also created and maintained a formal research diary. Our primary data collection includes multiple interviews with two employees of the analyzed companies, namely Amy Hall and Julie Conroy. The former, Amy Hall, is currently VP of Social Consciousness at Eileen Fisher Inc., while the latter, Julie Conroy, is brand manager and head of sustainability at Hania New York. Their daily work includes finding new materials, methods of production or processes to raise the level of sustainability of their companies, both from an environmental and a social point of view. All the interviews were semi structured,

² The Council of Fashion Designers of America, Inc. (CFDA) is a not-for-profit trade association, founded in 1962, whose membership consists of nearly 500 of America's foremost womenswear, menswear, jewelry and accessory designers. Actual chairman of the board is Tom Ford and general secretary of the BoD is Vera Wang.

starting with broad questions to allow the development of a conversation with the interviewees. This kind of interviews are used to collect reliable and comparative qualitative data, but they also allow the participants to share their thoughts and visions, that would be constrained by a structured conversation. The interview guide was created starting with a deep study of the research question, which allowed us to identify the main themes of the conversations, such as the internationalization process of the firms and the implications of their sustainability commitment on their activities. A subsequent analysis of the literature in this domain led us to the introduction of questions on consumers' opinions and satisfaction level, as we consider clients to be the direct target of all the companies' decisions, and therefore part of our study.

Reported below is a table summarizing the most important themes discussed during the interviews.

TABLE 2: THEMES OF THE INTERVIEWS

<ul style="list-style-type: none"> • Sustainability within the company: which are the current activities they are undertaking and what are their future projects • Internationalization process of the firm and how much did it affect their sustainable path • Characteristics of being a luxury fashion firm and how did it influence their choices in terms of activities and, most importantly, in terms of sustainable decisions • Customers' characteristics: how do they consider their opinions and how much are they involved in the sustainability conversation

Source: the author

Finally, our primary data collection also includes the “Eileen Fisher Sustainability Scorecard”, an internal document used by the employees for educational purposes. It contains all the assessment values of the brand, including “Brand Sustainability Assessment”, “Supplier Assessment” and “Operational Carbon Emissions” and it was extremely useful because it practically shows the changes made by the company. **TABLE 3**, in the appendices, shows a summary of the primary data collection.

Our secondary data collection contains articles from relevant and recognized journals and interviews to the businessowners of the two brands or to their employees, videos and podcasts on the sustainability approach the companies are using and how they are facing this issue. They were used to triangulate data collected through the direct interviews, obtaining

corroborated data and, therefore, more convincing and accurate findings. Triangulation refers, in fact, to the use of multiple data sources in qualitative research to develop a comprehensive understanding of the phenomena (Carter, Bryant-Lukosius, DiCenso, Blythe, & Neville, 2014). All the data were collected after a meticulous analysis, to ensure they were relevant to the study and they could have really added some new findings to our research. **TABLE 4** in the appendices summarizes the secondary data collection.

2.3 Data analysis

For our data analysis, we followed a two-step process, as we categorized data and then linked them together. To analyze the data collected we used a middle-order approach, which involved drawing some preliminary distinction within the data, selecting and categorizing direct statements (first-order codes) to create more generic groups (second-order codes). Finally, we assembled these latter codes into general concepts (one word or a short sentence) which became our key codes for the data analysis. To be sure to collect all the possible information we decided to gather codes from different sources: not only we analyzed all the primary and secondary data, but we also included elements coming from the theory. We began first-order coding by reviewing the theoretical framework as well as the interviews and the articles and videos, identifying fundamental sentences or paragraphs and creating temporary categories. We constantly compared new data with previously created codes and either categorized them into already existing codes or created new distinct codes. Through this process, we identified thirty-five first-order codes. The second-order analysis consisted in grouping first-order codes into more generic categories. Once again, we tried to compare codes and cluster them according to similarities. This process allowed us to define eight second-order codes. Finally, during the third step of our data analysis, we decided to compare our categories with the research question, to make sure that all the relevant topics of the study were covered by our analysis. We ended up with the definition of three final codes: “sustainability”, “internationalization” and “coping with sustainability”.

The following tables (**TABLE 5**) contains an example to show the coding method used during the data analysis. Although for practical reasons we decided to insert only one code, the full table containing all the first-order, second-order and final codes, is provided in **TABLE 6** in the appendices.

TABLE 5: EXAMPLE OF CODING METHOD

FIRST-ORDER CODE	SECOND-ORDER CODE	FINAL CODE
Renewal programs for circular economy	Short term goals	Coping with sustainability
Track of customer choices		
Reports and documents on actual changes		
Info available directly from the company		
Put a spotlight on tangible improvements that could be made by customers		
Ask for transparency on a policy level	Long term goals	
Make customers aware of their impact		
Change customers' mentality		
Work on reputability		

Source: the author

3. EMPIRICAL SETTING

The emphasis in this empirical setting chapter is on factual recount and summary. The following section contains, in fact, an overview of the luxury fashion industry with a major focus on the two firms analyzed, a description of the process under study and results of the events that characterized it until recent years.

3.1 The luxury fashion industry

As reported by Fondazione Altagamma, the general luxury market gained 5% in 2018, rising to an estimated €1.2 trillion, with most segments growing in real terms. Of that, personal luxury goods outperformed the overall market, reaching a record of €260 billion (**TABLE 7**). The expression “luxury fashion industry” refers to the luxury apparel and footwear category, according to the definition of the Consumer Market Outlook. Among the segments of the global personal luxury goods industry, fashion represents the largest one, with a revenue of US\$ 112.890 m in 2019 («Statista Market Forecast», 2019). To take advantage from economies of scale, centralization of capabilities, access to exclusive suppliers and talents, many luxury companies join forces in conglomerates. While some labels, such as Chanel and Hermès, are still privately owned, the majority of the most well-known and influential brands are part of these groups. The most important ones, at the moment, are three: LVMH, Kering and Richemont. LVMH is the result of the 1987 merger between Moët Hennessy and Louis Vuitton. With a 2018 revenue of €46.8 billion and more than 60 brands active in all the luxury sectors, it includes Louis Vuitton, Dior, Fendi, Givenchy and Loro Piana, among the others. The French group Kering was created in 1963 by François Pinault and counts more than 15 luxury brands, mainly active in the fashion segment. With a 2018 revenue of €13.665 billion, the conglomerate includes labels as Gucci, Alexander McQueen, Bottega Veneta, Saint Laurent and Balenciaga, among the others. Last but not least, Richemont was founded in 1988 and counts more than 20 brands active in different sectors. It includes firms like Chloé and Yoox – Net – a – porter, for a total 2018 revenue of €10.97 billion.

TABLE 8, **TABLE 9** and **TABLE 10** of the appendices show some of the most famous fashion brands of each group.

Worldwide, the personal luxury goods market experienced growth across most regions: Europe remained the top region for sales, followed by USA, Asia and Japan. Chinese consumers led the positive trend, with a 33% share of global luxury spending. The other countries experienced moderate growth, with a boost in retail sales of 3%, 5% and 6% for Europe, USA and Japan, respectively. Wholesale remained the most preferred channel for luxury goods, accounting for 62% of all sales, even though with a growth of only 1%. Online remained the fastest – growing channel, increasing 22% and reaching 10% penetration of luxury sales globally. Finally, worth to highlight is the rise of the secondhand market, which registered a growth of 9% per year since 2015, reaching €22 billion in 2018. Pertaining the costumers, generation Y and Z accounted for 47% of luxury consumers and 33% of luxury purchases in 2018 (Bain & Company X Altagamma, 2018). This is an important data for companies, because it calls attention for a market adaptation to younger customers' preferences, evolving and innovating in terms of product offerings, communication strategies and distribution channels.

In general, all the major luxury fashion houses are beginning to understand the benefits of the openness to this sustainable path: Giorgio Armani and Versace discontinued the use of controversial material, like fur; the Burberry group stop destroying unsold stock, which is a typical practice among the luxury fashion houses; LVMH bought a stake in Stella McCartney's fashion label, extremely famous for its sustainability processes, and Prada stated its intentions to source all of its iconic nylon accessories from recycled materials by 2021. Moreover, major luxury houses are publicly sustaining the cause by signing commitments or participating to events. For instance, in April 2019, the French President Emmanuel Macron invited to the Elysée Palace representatives of 32 fashion and textile companies to sign the Fashion Pact, taking actions in three essential areas for safeguarding the planet: stop global warming, restore biodiversity and protect the oceans. The Fashion Pact was presented by Kering Chairman and CEO François-Henri Pinault and, among others, it was signed by the Armani Group, Chanel and Salvatore Ferragamo. Another example is the 2020 Circular Fashion System Commitment, provided by the Global Fashion Agenda during the 2017 Copenhagen Fashion Summit to allow fashion firms, both luxury and non, to take concrete actions on the circularity process. Last but not least, held by Camera Nazionale della Moda Italiana, the Green Carpet Fashion Awards celebrate progresses made by luxury fashion houses toward the sustainability processes and reward brands for their constant effort in balancing innovative changes with the heritage and authenticity of their luxury essence. They are one example of how events may turn into huge spotlights for the companies themselves and their true commitment.

3.2 Presentation of the cases

3.2.1 Eileen Fisher Inc.

The first company chosen is Eileen Fisher Inc, an American value-based brand committed to creating eco-friendly luxury fashion. By seeing clothing as just the business' starting point, they *“believe in ethical, timeless, well-made clothes, designed to work together, wear effortlessly and be part of a responsible lifecycle”*. Born in 1984 from the idea of Eileen Fisher herself, the firm has always been seen not just as a business but as a movement that can change the world: for this reason, they launched and developed several initiatives throughout the years. In 1997 the Social Consciousness Department was created to raise awareness about three major values: practicing business responsibility with absolute regard for human rights, guiding the products and practices toward sustaining the environment and supporting women to be full participants in the society. Over the years, the team has grown, extending across the whole company. Having as a goal to “design out negative impact and design in positive change”, the company acts on the environmental system by using organic and sustainable fibers, by committing to using manufacturing partners that offer certified dye processes, by tracking miles and modes of transportation to reduce carbon emissions and by increasing water efficiencies in the manufacturing processes. To leverage the influence and help to align economic development with environmental protection and social responsibility, they joined two public policy groups dedicated to shaping legislations and regulations; moreover, they keep partnering with environmental and human rights groups to move the work forward. Since 2015, they are one of the largest women's fashion companies to achieve the B-Corp certification. Benefit corporations voluntarily meet high criteria for social and environmental performance, accountability and transparency. Eileen Fisher Inc. is, in fact, a quadruple bottom line company– meaning they value the environment, human rights, employee well-being and financial interests as part of doing business. Making clothes has always been a lifetime commitment for the founder and the entire company: that's why, in 2009, they created the Renew Program. With the major goal of “waste no more”, it is a circular system designed to upend the conventional cycle of consumerism with a take-back program that gives clothes a new life. The consumers can, in fact, bring back old pieces and they will find them another home or turn them into entirely new designs. The program revealed itself to be a huge success, counting more than 41.000.000 pieces taken back, 422.000 only in 2018. Finally, after the international “Waste no more” exhibition of art pieces made with used garments at Salone

Internazionale del Mobile di Milano in 2018, they also launched a collection of artful totes and pillows available only in limited and selected stores. Financial data of the project have not been disclosed but it was a successful experiment as they are planning to extend the collection to a new line of one-of-a-kind accessories and art pieces made with taken-back clothes.

3.2.2. Hania New York

The second firm under analysis is the American brand Hania New York, founded by Anya Cole in 2012 and devoted to the creation of luxury knitwear collections since then. Basing the brand on three major values as unparalleled quality, craftsmanship and sustainability, they decided to produce every piece locally (gaining the “made in New York” mark of distinction) through the work of empowered women that knit them by hand, creating one-of-a-kind clothes. The company strongly believes in the power of sustainability, tradition and community; in fact, the collection is hand-knit from a completely undyed cashmere that is ethically sourced from shepherds living in small family farms along the silk road of Kyrgyzstan. Moreover, the company launched the Hania Repurposed Program, as a commitment to a circular design model and a zero-waste future. Starting from the idea that it is the company’s responsibility to help clothes last a lifetime through impeccable craftsmanship and the commitment to make any repair, the program not only provides a discount every time a customer returns knit styles he/she no longer uses, but also includes the usage of these clothes for the creation of hand knits hats that will be donated to children’s and cancer charities in New York City.

Both the companies under study are signatories of the 2020 Circular Fashion System Commitment, proposed by the Global Fashion Agenda at the 2017 Copenhagen Fashion Summit as a concrete way to take actions and accelerate the industry’s transition to a circular fashion system. To set a direction for this transition, four immediate action points were outlined: implementing design strategies for cyclability, increasing the volume of used garments and footwears collected, increasing the volume of used garments and footwears resold and increasing the share of garments and footwears made from recycled post-consumer textile fibers. As of July 2019, signatories have reached 45 of 213 targets and set 17 new and more ambitious targets across all four action points. More specifically, the Eileen Fisher Company shared its path to sustainability through the 2020 Vision of *“an industry where human rights and sustainability are not the effects of a particular initiative, but the cause of a business well*

run” with a series of bold commitments around fiber, chemistry, resources and conscious business practices. Some of the goals they set for 2020 include the increase of the number of garments collected through their circular program by 20%, the increase of resale of used garments by 25%, the implementation of circular design principles to create a closed-loop product offering and the increase of the volume of used garments recycled into textile fibers. Hania New York, on the other hand, decided to strongly commit to an authentic and uncompromised luxury while still dedicate itself to female empowerment and sustainability. Through annual reports, the company set specific goals for 2020 based on the four points provided by the Global Fashion Agenda. These objectives include, among others, an incorporation of 80% of existing stocks for the new collections, the “reparability feature” of 90% of the collections and the “disassembly feature” of 60% of them.

For all the above-mentioned reasons we retained these two companies two successful examples of international luxury fashion labels correctly practicing and showing their commitment toward the social and environmental sustainability issue. We decided, therefore, to implement our analysis to obtain findings to confirm our hypothesis.

4. FINDINGS

For different reasons, the companies under study in this research are both considered successful luxury fashion firms correctly operating to address social and environmental needs through their work. Not only, in fact, they are extremely financially profitable, but they are widely recognized as leaders in managing social and environmental problems by implementing innovative solutions and initiatives with their activities and programs. As emerged from the data collection, both the business owners are often interviewed by influential newspapers, invited to prestigious panels and awarded with important recognition as the CFDA Award. Moreover, the B-certification obtained by Eileen Fisher Inc. back in 2016 reflects its dual mission of financial profits alongside achieving social impact. One key aspect of these two businesses is their intrinsic ability to overcome challenges, in this specific case related to sustainability issues, by developing innovative solutions to address impactful societal problems. Both of them gave similar results in terms of thoughts and positions about sustainability and how they are trying to address the problems, making the findings coherent and significant. The data collected throughout these months allowed us to develop an analysis of some of the main problems hitting these companies and, furthermore, to detect the successful practices implemented to solve them. We decided to categorize our findings into three main sections, “suppliers’ challenges”, “employees’ challenges” and “customers’ challenges”, to according to the stakeholders involved in the discussion. It is fundamental to state that all of our findings are interrelated one to the other: a huge work is needed from all the parties involved to achieve a consistent change, improving environmental and social conditions of the society.

4.1 Dealing with suppliers

One of the major challenges for every luxury fashion firm is that of costs. Production costs, as reported by Julie Conroy, head of sustainability at Hania New York, in her interviews with us, represent almost 60% of the total costs of a product and it is hard for a business to manage and balance them in the correct way. The premium price customers are willing to pay for a luxury item cannot exceed a certain range and working with international suppliers to obtain luxury and sustainable raw materials implies increasing costs for the brand. A solution that both companies decided to adopt to overcome this challenge is trying to find a balance in the supply chain, so to avoid the sustainable choices to impact the final price paid by customers. Hania New York decided to employ only local knitters, which are working through on-call

contracts, as they are not able to pay them a fixed monthly income. Moreover, they try to work with a limited number of partners, to reduce steps in the supply chain.

“Internationalization is an important topic, especially for the upper part of the supply chain. (...) We try to work with companies that we really trust and, usually, we limit to two the number of steps before the product comes to us to not increase costs too much.”

Interview of Julie Conroy, head of sustainability at Hania New York

Eileen Fisher Inc, instead, decided to avoid air shipping of materials favoring international boat shipping, to reduce both costs and emissions. Of course, this decision implies a series of critical consequences for them: for instance, they are not able to ship pieces back and forth in case of mistakes or damages and they decided to have an in-house seamstress to rapidly fix problems.

“Working internationally has both pros and cons. (...) On the shipping side, it is hard to have a quick turn. We have to wait several weeks if we want to change something, so we prefer doing it in store, otherwise we would risk to ‘loose the moment’. We are proud of working with so many different businesses and having the opportunity of exploiting every chance, but there is a liability on the shipping part which is hard to control. Having them doing things far away is difficult... and it is also one of the major sources of carbon emissions because of airplane shipping.”

Interview of Amy Hall, VP of Social Consciousness at Eileen Fisher Inc.

Another stressing challenge for these firms is about constantly implementing new solutions to be updated in terms of sustainable trends and innovations. During the interviews, Julie Conroy, head of sustainability at Hania New York, described us their challenge in terms of changing the packaging systems without using expensive materials. Their current solutions, in fact, are primarily made of paper and plastics, while they are trading with some new suppliers for the use of organic materials that will be soon disclosed.

“Even though we are a small company compared to major fashion houses, we have already realized the impact we are having with our personal use of plastic and how difficult it is to find environmental-friendly solutions and implement them. However, we also know that all of that is also money that we are wasting, and we need to take an action on it.”

Interview of Julie Conroy, head of sustainability at Hania New York

Eileen Fisher Inc., instead, decided to invest in new innovative production systems of organic fibers, promoting and supporting regenerative agriculture. Through a partnership with the Savory Institute, signed in 2019, Eileen Fisher became a Frontier Founder under Savory's Land to Market Program to promote and support the pioneering methodology of Ecological Outcome Verification.

“Eileen Fisher Inc. is committed to leading the change towards sustainable clothing. (...) Regenerative agriculture results in increased soil fertility and biodiversity, leading to carbon sequestration, drought resistance, and plenty of grass for the sheep to graze. (...) We're proud to be working with Savory and like-minded brands to expand regenerative farming.”

Megan Meiklejohn, Eileen Fisher Inc. Sustainable Materials and Transparency Manager

Article by Savory Institute, September 2019

4.2 Dealing with employees

Probably the major challenge when implementing any kind of change within a company, is to be able to make the innovation an intrinsic element of the company's culture and activities. Both the analyzed companies are implementing strategies to be sure to enact a change starting from the inside. Social and environmental sustainability require a serious commitment from the organizations and should be embedded in every segment and process within the company. To do so, both the firms decided to act on the company's structure as a starting point of their changes. As revealed by Anya Cole, business owner of Hania New York, in the American Fashion Podcast (September, 2019), she decided to change the company's structure, becoming a retail company, in order to be closer to customers' choices and desires and, most importantly, to be owner of her own decisions. On the other hand, as disclosed by Eileen Fisher herself during several interviews, she decided to change the structure of her firm in favor of a “leading circle structure”: opposed to a top-down approach, this kind of strategy guarantees circularity of ideas and bottom-up initiatives coming from the employees. The internal culture of a company can, in fact, shape the workers' point of view and, in turn, change the way they work every day.

“The underlying philosophy of our design—no constraints, freedom of expression—extends to the company itself, which is run in a loosely structured manner that allows for an open exchange of ideas. Every employee is encouraged to give input to any area, no matter their

position or expertise. The individual is valued for the total picture of who they are and what they can contribute.”

Eileen Fisher

Interview by Janet Malcolm, The New Yorker, September 2013

Amy Hall, VP of Social Consciousness at Eileen Fisher Inc., confirmed this vision during the interviews, stating several times that it is her daily job to talk with the entire team about new upcoming sustainability issues and solving proposals. An internal open dialogue within the organizations seems to be a winning strategy.

“Fashion and sustainability are like a double-edged sword: there is a conflict in the center of it between collaboration and efficiency and simplicity and clear decision-making. The challenge is to manage that and be efficient and that’s their main goal.”

Eileen Fisher

Interview by Meghan French Dunbar, Conscious Company, July 2015

Furthermore, both Hania New York and Eileen Fisher Inc. decided to set short-term and long-term goals and define plans to achieve them in terms of innovations, initiatives and programs. They are both signatory of the 2017 Circular Fashion System Commitment by Global Fashion Agenda, which represents a tangible expression of their work on sustainability. They set some precise goals for 2020 in terms of used garments resold or circularity of the processes and designs.

“It is really important for the company, not only because it represents the participation to a project and it means not being alone in the fight, but it also means that the goals have been put into words and shared. It represents concrete targets to be achieved by the company.”

Interview of Julie Conroy, head of sustainability at Hania New York

Eileen Fisher Inc. also decided to implement a broader program, Vision2020, defining some strong commitments around fiber, chemistry, resources and conscious business practices.

“Our vision is for an industry where human rights and sustainability are not the effects of a particular initiative, but the cause of a business well run. Where social and environmental injustices are not unfortunate outcomes but reasons to do things differently.”

Eileen Fisher website

4.3 Dealing with customers

To be effective in their actions, companies need to work on increasing customers awareness toward the problems and helping them realizing the impact they could have with their single purchases. To spread the message, both the business owners of the two companies are constantly participating to events and panels to talk about their work and projects. They are always releasing interviews to updated readers on novel practices and undertaken actions. Furthermore, as reported in the interviews with Amy Hall, VP of Social Consciousness at Eileen Fisher Inc., to enact a change in customers' mentality, the shop assistants help clients in their purchasing by referring to them as investments.

“We don't want to influence customers, but we want to be true. Shop assistants encourage customers to buy what they really love. The sales team doesn't work on commission, but to solve clients' problems. We prefer having lots of customers with a few pieces rather than just a few clients with lots of pieces that will not use for long time (...) When they complain about prices, we tell them to see it like an investment: the same they would make for a new smartphone. It is a totally different attitude compared to that of fast fashion companies.”

Interview of Amy Hall, VP of Social Consciousness at Eileen Fisher Inc

This is a tangible example of how the brands' values are transmitted to customers to increase the awareness and, jointly, solve the problem.

Other than being a challenge for the companies in their relationships with international suppliers, costs represent also a problem for the firms in their interactions with customers. In order to overcome those challenges and achieve successful solutions, Hania New York and Eileen Fisher Inc. implemented a renewal program for their clients. Through these programs the companies resell used pieces which are still in optimal conditions or recycle used garments to create new pieces. The processes end up with unique and long-lasting pieces that are sold or donate, contributing to their sustainable projects.

“The Renewal Program is our answer to customers' questions, to give them a chance to enter luxury world in another way. The high prices stand also for their position on this problem and customers should ask themselves many questions before just buying something supercheap.”

Interview of Amy Hall, VP of Social Consciousness at Eileen Fisher Inc.

The luxury feature allows the brand to have higher prices to justify the higher standards they are using in the selection of material and production processes. Nevertheless, both companies agree when saying that they constantly need to declare and prove their commitments in order to engage with customers that, otherwise, would be skeptical about them.

4.4 Aspects to improve

Despite being successful companies, both the firms under study present some weaknesses or negative aspects that could be improved. Both the companies showed up to be really sensitive to the topic of “disclosing elements”. Customers, in fact, increasingly require proof of the commitment of the brand toward the sustainability issues, through the publication of official documents and insights. However, to maintain a competitive advantage, companies cannot disclose too much of their strategies.

“Disclosing too much could be detrimental for the company itself. (...) Having information available in the same way we have nutrition values on foods, would make most brands do better. (...) There’s should be greater emphasis, also on a policy level, on transparency.”

Interview of Amy Hall, VP of Social Consciousness at Eileen Fisher Inc.

Although greater control on a policy level would help companies increasing their performances, finding the right balance to manage shareholders’ interests and customers’ requests will always be one of the most challenging activities for a company.

Another under developed topic is that of managing younger customers and the online presence. Installing a conversation with millennials is a priority for both Hania New York and Eileen Fisher Inc. but, apparently, they are missing the correct tools.

“What we are currently trying to do is to attract young customers, because they are the future. We want to engage with them in a realistic communication about sustainability.”

Interview of Amy Hall, VP of Social Consciousness at Eileen Fisher Inc

Although the real commitment toward younger customers’ engagement, there are fewer points of contact between them and the companies. They never mentioned any innovation related to online platforms or millennials’ engagement activities, nor during our interviews or in the articles we collected. Nowadays, it is widely known that a key aspect for the luxury industry is the overall purchasing experience, including visiting the shops and interacting with sales assistants. How

are these companies going to implement their online presence and activities and how are they going to balance them with the physical luxury experience?

5. DISCUSSION

It is evident and interesting that the results of our findings are in line with the previous studies proposed in our literature review chapter. As reported by Aguilera, Rupp, Williams and Ganapathi in 2007, in fact, the expectations about a business' social responsibilities increased during the last years such that both internal and external actors have been pressured to change their attitudes toward the issues. During our screening process at the beginning of the study, we realized that, nowadays, all companies are involved in at least one socially responsible activity. Confirming what stated in 2017 by Amit et al., the new social and environmental problems afflicting our world led to a drastic change, from many points of views, in this trend. Different policies and practices are included in the broad range of new activities, including but not limited to changes in the production methods or philanthropic initiatives, as already reported by Aguilera in 2007. Other than being a remarkable activity, undertaking socially responsible actions has become a real need for companies to be able to compete in the market and gain customers' approval. Companies are now giving more attention to rankings, the introduction of global standards and accountability initiatives, working on a proactive social change (Aguilera et al., 2007). Our findings suggest that both the companies under study are following the Triple Bottom Line Approach proposed by Elkington. It clearly emerges from the way the two companies do businesses and the principles and values they believe in. The pressure to fulfil the triple bottom line approach has increased also in the fashion industry as more and more consumers demand higher transparency of business' operations (Amit et al., 2017). Although showing some significant major differences, the two firms are both working on increasing profits to be successful, while also trying to have an impact on people and the planet. In this way they are both confirming the vision of Elkington himself, trying to account for the full costs of doing businesses working on all these different items (Elkington, 2018). However, during an interview, Amy Hall, VP of Social Consciousness at Eileen Fisher Inc., confirmed us how their approach is much more conscious in her company, for different reasons. Not only, in fact, it is a bigger company and definitely more structured than Hania New York, but the two also differ in terms of legal status. Being a certified Benefit Corporation legally requires Eileen Fisher Inc. to have a dual mission, explicitly pursuing financial growth while also having a social and environmental impact. More specifically, Eileen Fisher defines her firm as a quadruple bottom line company, meaning they value the environment, human rights, employee well-being and financial interests as part of doing business.

"Being a quadruple bottom line business means putting a stake in the ground around our purpose and practices—and truly turning business into a movement."

Eileen Fisher website

Both companies chose the criteria of reliability and transparency to fight against the general pressure of fulfilling the triple bottom line. As emerged from the interviews with Julie Conroy, head of sustainability at Hania New York, they only work with reliable and solid partners as a choice to gain trust from customers on their sustainable activities.

"We usually require certification on ethical productions or similar from the suppliers. We know this increases costs, but it is the only way to be sure our commitment is fulfilled."

Interview of Julie Conroy, head of sustainability at Hania New York

The same reasoning works for Eileen Fisher Inc. As confirmed during the interviews with Amy Hall, VP of Social Consciousness, the company is trying to disclose as much details as possible on the operations systems to gain customers' trust.

"As long as we are able to show customers what we're doing and prove them we're really working on sustainability, they will trust us. Transparency is the key in this relationship."

Interview of Amy Hall, VP of Social Consciousness at Eileen Fisher Inc.

Showing transparency and reliability is a solid way to contrast consumers believes that luxury products have few significative negative social or environmental impacts, based on the assumption that they symbolize prestige and are highly valuable (Davies et al., 2012). Finally, their luxury status allows them to pursue a different attitude with clients. Amy Hall, VP of Social Consciousness at Eileen Fisher, highlighted several times, during the interviews, that they always remind customers they are making an investment with the purchase. In fact, they are not driven by necessity but by interest in the goods. Luxury companies have the power to increase customers awareness toward the subject, while also working on profitability.

"Some customers are still not conscious of the impact they can have with their purchases and companies should help them understand it."

Interview of Amy Hall, VP of Social Consciousness at Eileen Fisher Inc

The quest for sustainability is definitely transforming the competitive landscape so that companies are forced to change the way they think about products, processes and business

models. This change hit the two companies in a way that led to a redefinition of the concept of fashion itself. Both Eileen Fisher and Hania New York, in fact, undertook programs to use recycled garments or existing stocks for their products, launching, respectively, a “Renew Program” and a “Repurposed Program” as a commitment to the circular fashion system. Moreover, Eileen Fisher Inc., in collaboration with the artist Sigi Ahl, started exposing art pieces made of recycled materials. The “Waste No More” exhibition, initially at Salone Internazionale del Mobile di Milano, obtained a huge success and gave birth to the creation of a new collection of accessories and home furnishing, DesignWork.

“It was a good move, in hindsight, to use artwork as an ambassador of what we can do with this fabric. Then, it was pretty clear, once we realized the potential, that this could be a widely applicable product. We are experts in clothing, but we realized that this fabric could be applied to a wide range of accessories, upholstery pillows and other home furnishings.”

Sigi Ahl, creative director of DesignWork

Article by Barry Samaha, Forbes, August 2018

Of course, this new production system required huge financial investments to purchase the necessary felting machine, but it is a tangent proof that sustainability can be a source of organizational and technological innovation for companies (Nidumolu et al., 2009).

As reported by Kolk and Van Tulder in 2010, following a sustainable path is even more difficult for international enterprises, given the global influence they have and different contexts they work in. As also reported in the findings chapter, working with international suppliers is still a challenge to overcome. The issue results even more complex because the supply chain is fragmented, complicated and global (Kabukcu & Ensari, 2016). The ability of the two companies, however, stands in the management of the entire production process so that the cost of international suppliers will be balanced by cuts on other elements and will not be reflected into an increased final price for consumers. Amit et al (2017) described the fundamental importance of integrating sustainability into a long-run development strategy. It is, however a risk, for multinational enterprises, because environmental investments cannot easily be reversed and firms run the risk of ending up in a green mistake scenario (Kolk & Pinske, 2008). Moreover, as highlighted by some authors, the absence of a widespread regulation can result in both a problem or an opportunity for companies (Kolk & Van Tulder, 2010). Long term strategies addressed to a broader range of stakeholders are a strong signal of a significant commitment toward the issue, but also a moving target for MNEs (Kolk & Pinkse, 2008). Both

companies are clearly trying to implement a long-term strategy through their 2020 commitments. Signing the 2020 Circular Fashion System Commitment, in fact, was a tangible expression of their values and strategies, allowing them to translate their vision into real actions. Confirming the vision of Kolk & Pinske of 2008, a one-time decision to commit resources is insufficient, because firms need to develop dynamic capabilities. From the data collected, it is evident how the issue of sustainability represents a constantly open dialogue within the two firms. This is certainly one of the features making them successful. Nowadays, the definition of success itself has changed and successful people want to show that they care about environmental and social issues (Bendell & Kleanthous, 2007). Eileen Fisher Inc. and Hania New York have both realized the real meaning of *Deeper Luxury*, as a new sense of luxury with deeper values expressed through social and environmental excellences (WWF, 2007). They are now working to share these values throughout the society.

To conclude our discussion chapter, we will summarize what we learn about how internationally operating luxury fashion firms can cope with sustainability. To do it overcoming its major challenges, internationally operating luxury fashion firms can: 1) exploit the opportunity of working with international suppliers. It will help them obtaining the best quality materials and being always innovative by working with a broad range of people. Of course, they will also need to work on compensating higher costs, for instance avoiding plane shipping in favor of boats or hiring internal experts to quickly solve customization problems. 2) change their strategy to make commitment toward sustainability an intrinsic feature of the company's culture. It requires changing employees' way of working, so that they will not just perform tasks but will feel as part of a greater project. An example is the use of the unstructured system implemented by Eileen Fisher with her "leading circle". Allowing all the workers to share their thoughts and opinions increases the chances of implementing successful projects and it also settles the commitment toward sustainability as a root value for the firm. 3) Try to balance short-term and long-term goals in a comprehensive vision. Following the triple bottom line approach allows the companies to balance their financial activities with social and environmental commitments and may represent a solution for implementing a winning strategy. 4) increase customers' awareness toward the issue, without leveraging too much on prices. Clients, in fact, are always more concerned about sustainability but they still refuse to pay a higher markup on pieces. A good solution for luxury fashion firms is to present themselves as investments for customers, guaranteeing both high quality and sustainable products. There are,

however, some limitations to the conciliation of luxury fashion and sustainability: 1) balancing the elements disclosed with customers without reviling the strategy of the firm; 2) managing the online presence to engage millennials. Dealing with sustainability is not an easy task, when balancing it with maximizing profitability. In this particular sector, successful companies need to lead the way by redefining the notion of quality and the luxury dream no more as a selfish individual one, but as one that takes into account environmental concerns (Kapferer, 2010).

6. CONCLUSIONS

The aim of this research was the advancement of the discussion on how internationally operating luxury fashion firms can cope with sustainability. We analyzed two successful fashion companies operating in the luxury sector and found how they are able to balance the financial profitability of the company with their commitment toward social and environmental sustainability while keeping their luxury essence. While our results are in line with previous studies, our thesis identifies solutions implemented by companies in this sector, that could be used as starting points for spreading changes all over the industry. We also contribute to acknowledge that, nowadays, undertaking projects on sustainability is not an option but a requirement for fashion luxury companies.

However, this thesis faces some limitations. Firstly, the study focuses on a limited number of companies, for the reasons already explained in the methodology chapter. Future research could test our results on a broader sample of firms. Secondly, the two firms analyzed were both American companies. Even though it was not a voluntary choice, we recognize that this characteristic could have shaped the cultures, values and stories of success of the two labels. It could be interesting to analyze, in a future study, firms located in different geographical area to compare results. Management wise, it could be interesting to deeply study the strategic changes required to businesses to stay competitive in the market, balancing financial growth with a deeper commitment toward sustainability. Finally, it could be interesting to study the managerial practices behind the online engagement of young customers, balancing it with the physical luxury experience.

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8. APPENDICES

TABLE 1: CONTACTED COMPANIES

CONTACTED COMPANIES	
Algorithme	Gucci
Allbirds	Hania New York
Amara	Kevin Germanier
Anya Hindmarch	KitX
Brunello Cuccinelli	Louis Vuitton
Camera Nazionale della Moda Italiana	LuisaViaRoma
Cowtow	Mara Hoffman
Doen	Nord by Nord
DressingAvenue	Organic Basics
Edun	Prada
Eileen Fisher	Stella McCartney
Faguo	Vivienne Westwood
Farfetch	Yaya & Co.
G Star Raw	Zero Maria Corvejo
Gabriela Hearst	Zouri

Source: the author

TABLE 3: PRIMARY DATA COLLECTION

Type of source	Date of evidence	Observations
Interviews with Amy Hall, VP of Social Consciousness of Eileen Fisher	Oct. 4, 2019 Nov. 8, 2019	The first interview was useful to understand the general vision of the company on the theme of sustainability, while the second was focused on more detailed questions and on the clarification of doubts. Moreover, given the unstructured form of the conversations, they were both great chances to gather real life examples and to obtain more insights into the everyday activities of the brand.
Interviews with Julie Conroy, head of sustainability of Hania New York	Oct. 16, 2019 Nov. 8, 2019	The first interview was based on more generic questions as the topic was still to be fully developed and analyzed. The second phone call, which instead took place after a series of emails and written conversations, was a great chance to obtain more detailed answers on the positions of the firm and its way of concrete actions.
Eileen Fisher's Sustainability Scorecard	April 22, 2019	Some of the values reported in the table are worth to mention because they truly represent a major change for the company. These values include, but are not limited to, 96/200 B-Corp assessment (2017), 99% of recycle or organic cotton (2018) and 96% of organic linen (2018),

Source: the author

TABLE 4: SECONDARY DATA COLLECTION

Type of source	Date of evidence	Observations
<p>“How Eileen Fisher's DesignWork initiative is effectively strengthening sustainability in fashion”</p> <p>Forbes, article</p>	Aug 28, 2018	<p>The article was extremely useful as it mentioned new practices to totally reuse every piece of garments. It is a tangible example of how an internationally important newspaper recognize the work of the company.</p>
<p>“How Eileen Fisher is the Ultimate Sustainable Label”</p> <p>CFDA, article</p>	May 30, 2019	<p>The award represents a tangible recognition to the positive work that Eileen Fisher has made with her brand’s vision throughout the years.</p> <p>CFDA is a not-for-profit trade association of more than 450 American fashion and accessories designers. Its mission is to strengthen the influence and success of American designers in the global economy.</p>
<p>“Nobody’s looking at you – Eileen Fisher and the art of understatement”</p> <p>The New Yorker, article</p>	Sept 23, 2013	<p>It is extremely helpful to understand how the “leading circle” strategy came up and what it truly means, for such an iconic brand, to not have a former CEO. Moreover, worth to mention is the ability of Fisher to recognize talents in other people and let them be confident and comfortable in sharing their visions.</p> <p>“Simply – to be Ourselves” as a main driver for the brand.</p>
<p>“Eileen Fisher: fashion designer gives us the exclusive on empowering women”</p> <p>Rockland Westchester Journal News, article</p>	Oct. 17, 2018	<p>It is interesting as it describes an event hosted by Fisher, with social and environmental sustainability as central theme. It is, in fact, not less important to mention all the social initiatives undertaken by the firm, to empower women and underdeveloped communities.</p>

<p>“Eileen Fisher Profile: The Designer on Millennials, Sustainability, and Her Unorthodox Management Style”</p> <p>Vogue, article</p>	<p>May 29, 2019</p>	<p>It is an important contribution because it covers major themes, including the financial structure of the company and the description of the management team. Moreover, it covers the topic of GenX customers and how to involve them in the conversation on sustainability. It is fascinating how Eileen herself describes the business as an opportunity of change more than just a commercial operation. From the article is clear how the winning element for the brand is the vision itself and how they’re able to conjugate it with tangible actions.</p>
<p>“Designer Eileen Fisher on how finding purpose changed her company”</p> <p>Conscious Company, article</p>	<p>July 4, 2015</p>	<p>Eileen Fisher Inc. being one of the largest sustainable fashion brands is the result of a gradual transformation of a brand which has been able to change, maintaining its core values. When asked about her fears in the decisions, she talks about foolish non-fear. Do you have to be foolish to come up with a new powerful idea?</p> <p>It is really interesting the metaphor she uses, describing the fashion industry and sustainability as a double-edged sword: there is a conflict in the center of it between collaboration and efficiency and simplicity and clear decision-making. The challenge is to manage that and be efficient and that’s their main goal.</p>
<p>“A classic gets an update: Eileen Fisher reimagines her clothing line while thinking locally and globally”</p> <p>boston.com, article</p>	<p>April 8, 2010</p>	<p>It is the only document on a reinterpretation of the brand to accomplish new generations. A rejuvenation of the brand should be the first step of the process to install a conversation with younger customers.</p>

<p>“Eileen Fisher and Savory Institute partner on verified regenerative sourcing solution for fashion”</p> <p>Business Insider, article</p>	<p>Sept 20, 2019</p>	<p>The article provides insight into one of the last steps conducted by the firm to reach the Vision2020 goals. The partnership with Savory Institute, in fact, shows the real commitment of the brand toward the use of sustainable fibers, as the use of regenerative agriculture means the production of totally sustainable fibers.</p>
<p>“On Eileen Fisher sustainability & fine fabrics”</p> <p>THREADS by Garnet Hill, article</p>	<p>Oct, 2017</p>	<p>It is an interesting article as it reports a new and different points of view from someone working in the company. Respecting the main values of the brand, she states that sustainability is embedded in the way they think and work, but through her vision and the story of her working activities, we can practically understand the importance of her work and how it complies with the company’s principles.</p>
<p>“Eileen Fisher’s eco fashion crusade”</p> <p>Nordstrom, article</p>		<p>The article is a fundamental contribution because it provides updated results of the Vision2020 by Eileen Fisher. Moreover, it is interesting how the designer herself, defines the program as “shaped by the hopes that someday, these types of programs will no longer be implemented as initiatives but as a new standard of conduct for the fashion industry”.</p>

<p>“The power of purpose” / “Empowering with distributed leadership”</p> <p>MIT Leadership Video Series, videos</p>	<p>June 9, 2015</p>	<p>Even though the videos are not totally focused on the sustainability theme, they represent an important contribution to the research as the leadership style of the businessowner is reflected in her actions. Her ideas on the path to follow are now much clearer, and this include also her commitment to sustainability. Moreover, she tries to involve both workers and customers in the discussion about the theme, and this is a consequence of her way of leading the firm.</p>
<p>“A dialogue on practicing change”</p> <p>TEDxWashingtonSquare, TEDx Talk</p>	<p>June 2, 2017</p>	<p>It is interesting because it shows how the internal culture of the company can shape employees’ points of views. On turn, this changes the way they work and they final product that they create. Every aspect of the process, from raw materials to customers, is linked together and the company is in the middle of the entire process.</p>
<p>“Eileen Fisher on the problems money can’t solve”</p> <p>Wall Street Journal, video</p>	<p>Oct 2, 2019</p>	<p>It is an important video because it focuses on some financial aspects of the firm. As Fisher states, they are not just a profit-making organization. Money for them are important to go on with the business, but they have the responsibility to use them in a proper way to make good and try to change the system.</p>
<p>“Eileen Fisher is the OG of Feminine Business”</p> <p>Nordstrom, video</p>	<p>March 1, 2018</p>	<p>It is interesting to see how Fisher develops her own concept of power. It is, in fact, not related to a working hierarchy within the organization, or to women empowerment they are developing. Indeed, she talks about the power of the choices made every day by everyone, both customers and employees at Eileen Fisher Inc. In</p>

		<p>this particular case, through clothing, we have the power to decide what to wear, knowing who and how the dress was made. All these choices may have an impact on our society and our environment.</p>
<p>“Designing Meaningful Work to Build a Sustainable Company: An Interview with Eileen Fisher”</p> <p>Aspen Institute, interview’s audio</p>	<p>June 25, 2018</p>	<p>The interview is interesting especially in the final part, talking about future expectations and decisions. Fisher, in fact, realizes the impact she can have on other businesses crossing her same path and declares to aspire being a model for creating new standards.</p>
<p>“Mending the apparel industry”</p> <p>Aspen Institute, video</p>	<p>June 26, 2018</p>	<p>The panel was interesting because both the two women talked about fundamental issues for sustainable and successful businesses, as Patagonia and Eileen Fisher are. Worth to note is the vision of Fisher when stating that “programs became possibilities”, meaning that a lot of elements can emerge from just one single program and those can lead you to very different ways of seeing the world. Moreover, some insights on genX customers reveal how they shop almost only from the Renew Program.</p>
<p>Eileen Fisher Inc. website</p>		<p>It was helpful to gather all the general information provided in the study.</p>
<p>“Five designers on making it in New York”</p> <p>The Cut, article</p>	<p>Sept, 2016</p>	<p>They don’t use patterns and designs develop very organically, which is a very rare circumstance for a New York business. Moreover, the business owner of Hania New York explains how, in her vision, every knitter can have the opportunity to talk to her while developing every one-of-a-kind piece.</p>

<p>“Don’t retire – reboot”</p> <p>NYCityWomen, article</p>		<p>“Waste not” and “If you want it, better make it yourself” have always been a lifestyle for the designer. “My cashmere is entirely hand-knitted, and no more expensive than Brunello Cucinelli’s.” it’s an intriguing affirmation to compare a small American business with one of the most successful stories of Made in Italy. At Hania New York imperfections are taboo, which is probably what makes the brand so successful. As she states in the interview, her strategy it’s also about supporting the local community and empowering women.</p>
<p>“Crafting a cashmere business powered by immigrants”</p> <p>Crain’s New York Business</p>	<p>Nov 13, 2019</p>	<p>Hania New York business grew every year, becoming a luxury brand that sold more than \$ 1 million worth of \$2500 sweaters and \$400 hats last year. But her final goal is to triple it, arriving to \$3 million in sales.</p>
<p>“Designing Women: casting on with Anya Cole”</p> <p>Damels in Design, article</p>	<p>Feb 11, 2013</p>	<p>Worth to mention is the context in which this new kind of business was born: New York City is, in fact, a dynamic place that allows you to put in place also the most extravagant ideas. The importance of advocating for one another is a key element in her business, coming from her personal story and her Russian land.</p>
<p>“Hania New York”</p> <p>American Fashion Podcast, podcast</p>	<p>September 10, 2019</p>	<p>The first element worth to note is the constant work on women empowerment, because most of their knitters are immigrants and these works help them conciliating family and job. Another interesting element is the change they made in the company structure, as they started as a wholesale company and then changed it in order to directly sell to customers and being in contact with them. The total control over the production and the customization of</p>

		each and every piece of garments is a signal of the luxury appeal of the company, also reflected in their prices. Interesting is that their main aim is to spread awareness among customers, so that the entire process can go big and more people can be involved.
<p>“Stitching the world together, one sweater at a time”</p> <p>Julie Conroy, TEDxfit</p>	Dec 13, 2017	She focuses mainly on the production model of the brand, because it’s what takes the majority of costs. In a modern age, when production chain is automated and anonymous, it is hard to be able to put a face on every step of the supply chain. But this is one of the commitments of the firm. Be conscious of their decisions and pass them to customers is their way of taking a sustainable path. Worth to mention is that she defines luxury as an industry where you’re able to know who made your clothing, you know that they were fairly paid and that traditions and craftsmanship are being kept alive. Finally, she shares the same vision of Eileen Fisher, stating that a way to change things in the fashion industry is to “look forward by looking back on how clothing was made”. Slowing down could be the solution for such a changing industry?
<p>“Hania by Anya Cole – Small Business in New York City”</p> <p>Video</p>	March 29, 2017	It is interesting because it shows how everything is really made in house. Every step is accurately monitored by workers and this perfectly fit with the description that “imperfections are taboo”.
<p>HANIA NEW YORK</p> <p>Website</p>		It was helpful to gather all the general information provided in the study.

Source: the author

TABLE 6: TABLES OF CODES

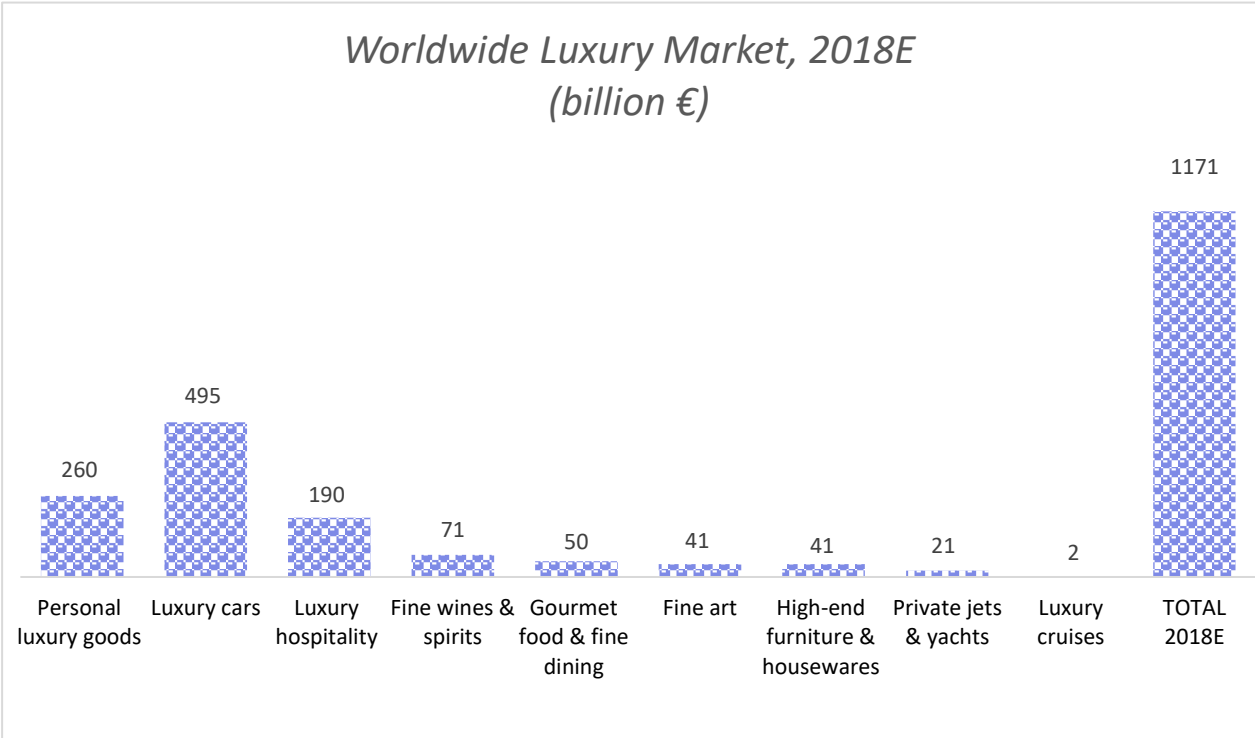
FIRST-ORDER CODE	SECOND-ORDER CODE	FINAL CODE
Sustainability requires a major commitment from the company, and it should be included in every process	Requirements	Sustainability
Sustainability implies both the companies' and customers' awareness on the theme		
Sustainability implies the creation of a new vision and it should be embedded in the company's culture		
The luxury feature of the brand implies a different attitude in its management		
Luxury consumers are very peculiar and can be highly influenced by the brands		
Major goal of sustainability is to have an impact	Goals	
Companies should set short-term goals in order to reach bigger improvements		
Goals should be measured through benchmarks and tools		
Sustainability goals should be about overall improvements for the planet		
Sustainability can be a source of organizational and technological innovation		
Sustainability is also difficult and requires hard work	Difficulties	
Internationalization is one of the technical challenges of sustainability, because it implies having relationships with hundreds of thousands of people		
Sustainability represents an investment for both the company and its customers		
Sustainability implies a relational challenge because customers should realize the impact they can have		
Constraints on the theme also comes from regulations		
Progresses have not been enough		
Limitations are also set by the high prices of luxury products		
Working in a luxury sector implies a different attitude on the theme		
The decision-making process is really hard to control		
Companies need to incorporate financial performances with social and environmental impact and processes can be costly		

FIRST-ORDER CODE	SECOND-ORDER CODE	FINAL CODE
It allows to have high quality and natural materials	Positive aspects	Internationalization
They have the chance to work only with specialized firms		
Increases carbon emissions because of the transportations	Negative aspects	
Times are much longer		
The supply chain is fragmented, complicated and global		

FIRST-ORDER CODE	SECOND-ORDER CODE	FINAL CODE
Renewal programs for circular economy	Short term goals	Coping with sustainability
Track of customer choices		
Reports and documents on actual changes		
Info available directly from the company		
Put a spotlight on tangible improvements that could be made by customers		
Ask for transparency on a policy level	Long term goals	
Make customers aware of their impact		
Change customers' mentality		
Work on reputability		

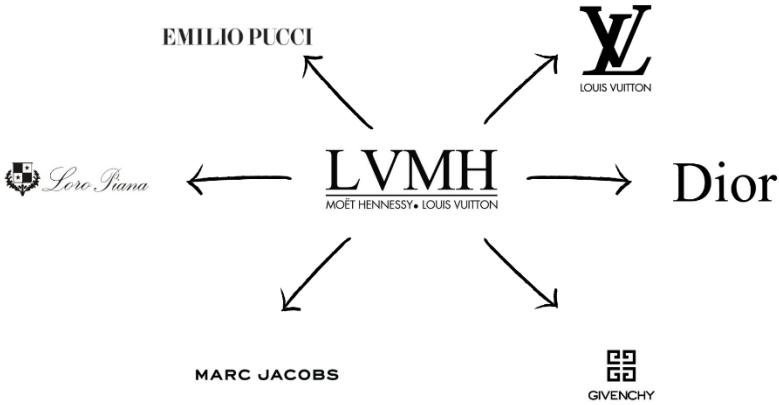
Source: the author

TABLE 7: WORLDWIDE LUXURY MARKET (2018)



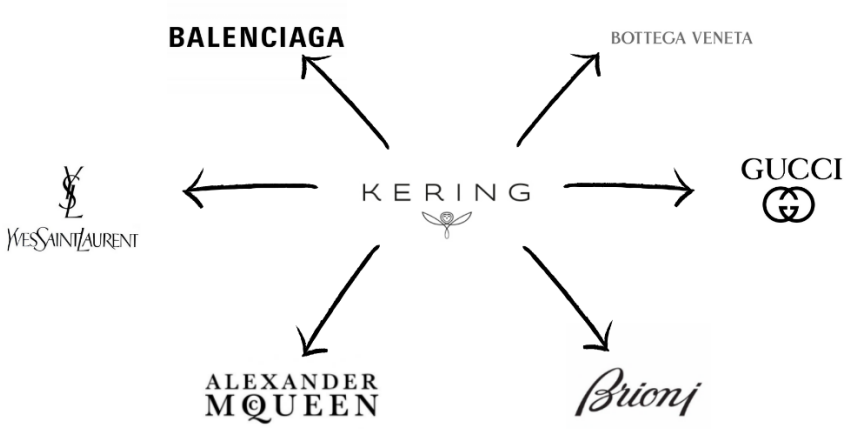
Source: Bain & Company

TABLE 8: MAIN FASHION BRANDS OF THE LVMH LUXURY GROUP



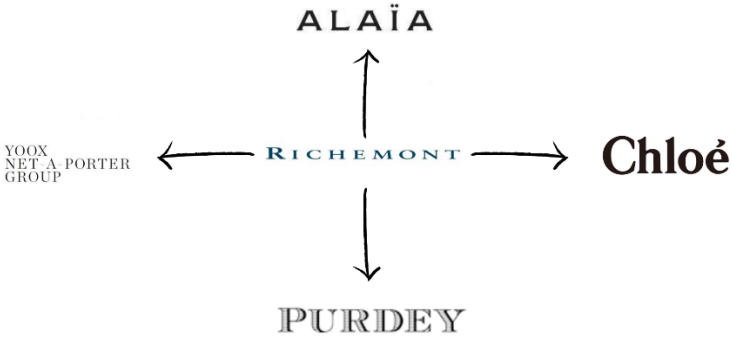
Source: the author

TABLE 9: MAIN FASHION BRANDS OF THE KERING GROUP



Source: the author

TABLE 10: MAIN FASHION BRANDS OF THE RICHEMONT GROUP



Source: the author