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WELL-HEELED TIMES

WITH U.S. UNEMPLOYMENT AT AN 18-YEAR LOW, CORPORATE TAX CUTS AND BOOMING ECONOMIC GROWTH, CONSUMERS ARE SPENDING FREELY AGAIN AND RETAILERS ARE FEELING BULLISH ABOUT THE HOLIDAY SEASON AHEAD. BUT THERE ARE CLOUDS ON THE HORIZON, INCLUDING A POSSIBLE TRADE WAR WITH CHINA, RISING INFLATION AND OTHER IMPONDERABLES THAT COULD DEFLATE THE GOOD TIMES. *FOR A LOOK AT THE RETAIL MOOD, THE OUTLOOK FOR M&A AND THE CREDIT MARKETS – AND WHAT MIGHT LIE AHEAD FAR DOWN THE ROAD,* *SEE PAGES 9 TO 22.*

PHOTOGRAPH BY **COREY OLSEN**

Boot courtesy of Vetements.

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Lunya invests in fabric and construction to optimize products such as "the perfect jogger or the perfect silk robe," said founder Ashley Merrill.

Slow Fashion Is Good for the Planet, But Will Consumers Embrace It?

SELLING FEWER ITEMS AND LEANER CLOSETS FLY IN THE FACE OF FASHION INDUSTRY NORMS.

BY **SHARON EDELSON**

SLOW FASHION may be closing the loop, but can it scale, and do consumers even care?

As the world's number-two polluter, the manufacture of apparel and textiles emits more greenhouse gases than global aviation and shipping combined. American consumers now buy 80 billion new pieces of clothing a year, a 400 percent increase from two decades ago.

Fingers point at fast-fashion retailers, the most popular scapegoat, but other brands are guilty, and consumers are complicit as well. However, how much blame should customers shoulder when the fashion industry has conditioned them to buy new items – often?

Luxury clients have been taught to breathlessly wait for a designer's new direction and order looks months in advance, while fast-fashion retailers churn out facsimiles of runway styles so that shoppers with no qualms about wearing knockoffs can buy fistfuls of cheap duds. Now, like a mint sorbet palate cleanser, comes the radical idea of buying less clothing and focusing on timeless designs that can be worn more than once and won't go out of style.

"The biggest way you can make a dent is by not making too much product. You have to train the customer not to focus on [promotional] sales and newness because that's rewarding the wrong things," said Ashley Merrill, founder of Lunya, who's among the designers and entrepreneurs embracing slow fashion, along with the likes of Eileen Fisher, Maria Cornejo and Stella McCartney. "When I try to be eco-friendly, I don't design a lot of things people won't buy. We don't put a lot of things on sale, we focus on quality and being best in class."

Slow fashion's mantra – fewer, better-quality products – is the antithesis of the fashion industry's modus operandi of launching new trends season after season, a form of planned obsolescence, and hoping consumers succumb to society's pressures and feel compelled to update their wardrobes rather than risk looking frumpish.

This worked for a long time, but there are starting to be signs of blowback. H&M continues to falter. The fast-fashion giant's second-quarter profits plummeted 21 percent with inventories piling up. H&M may be finding that it's harder to divine the prevailing trends of the season with so many voices and channels weighing in with a point of view.

"We as Americans are buying too much for too little money and throwing it away," said Ayesha Barenblat, founder of Re/Make, an organization that shares facts and stories "to help our community break up with fast fashion and provide seasonal curated collections to remake closets with fashion that respects women and the planet."

"Our clothes have to last longer and we have to think about durability," Barenblat added. "The brands thinking about circularity are being farsighted. By 2030, we'll have to decide whether we have enough food for the world versus enough land for cotton. It's a long-term play and it makes perfect sense to have supply chain resilience.

"Circularity has become quite convenient. It's a marketing ploy. If it's torn, cheap fibers, has polyester in it, you know its going to end up in a landfill for many years," said Barenblat, who has a blunt assessment of fashion companies, based on years of working to improve labor conditions at garment factories, and advising brands such as H&M, Levi Strauss & Co., Nike and Disney.

"As someone who spent lots of time in factories, you see the same factory producing the Burberry collection and the Zara line. If your growth model is built

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on throwing product into the mix and seeing how much you can sell, you'll have inventory problems and incineration is not a new problem," she said, referring to Burberry's admission that it burned $37.8 million worth of excess inventory last year rather than sell it in other outlets.

"H&M is hurting," Barenblat said. "From our standpoint, it's been great to see the softening of fast fashion and see consumers putting their money where their mouths are. We see which brands are greenwashing and which ones have the ethos."

Barenblat was skeptical about Arket, a new H&M brand whose goal, it says, "above all, is establishing styles that endure. The result will be a seasonless production flow and lower developmental costs."

"You have to have a different relationship with your suppliers," Barenblat said. "If you're in the business of disposability, you can't just change into longevity. When so much of your image and identity is tied to fashion, how do you not keep up with the trends. Fashion was a way to show up and look great without breaking the bank. Now, we're just cycling through. We used to have four seasons, now we have 18 seasons. It's a way to keep up with investor growth pressure."

Eileen Fisher has tapped into customers who share the company's values. She designs timeless pieces that hedge against products going out of style and believes "simple shapes are empowering." One of her favorite shapes is the kimono, which has been around for thousands of years. And while it may sound counterintuitive, Fisher said that the simpler the shape the more ways there are to wear it, adding to the item's value. That's the idea behind The System, eight pieces that each have a purpose but are designed to work with other items in a woman's closet.

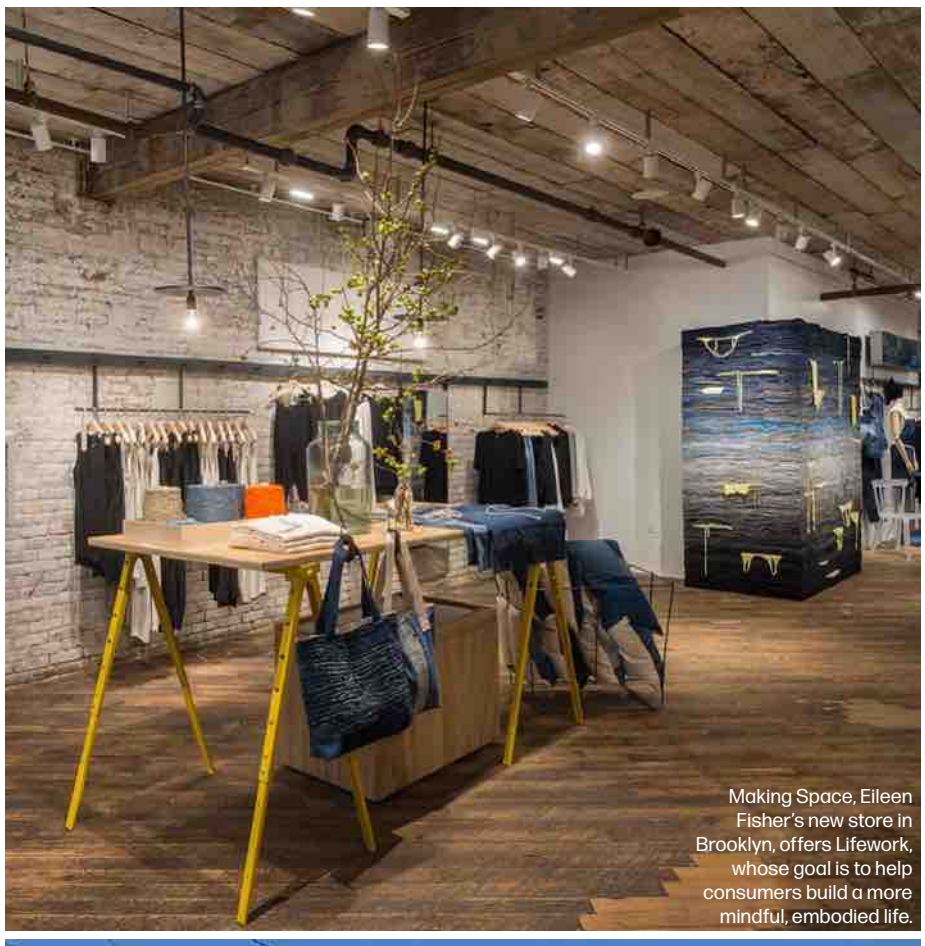
Atelier & Repairs is the anti-minimalist, slow fashion project, said founder Maurizio Donadi, who takes a creative approach toward repurposing and embellishing kimonos, jeans and white shirts. "I don't feel good about our price range, but we're limited in how much we can scale," he said. "We can customize products even further. People want something to be made for them that lasts a long time.

"We source things that are already made and source them in a way that we can create a consistency and size range," Donadi said. "It may be dirty, vintage or left over from old seasons from different brands. We wash, sanitize and repair and add our creative point of view. We can give you 150 white shirts, but they're all going to be different. That's our angle in the circular economy. It's creating a responsible project that doesn't compromise our creative efforts and helps reduce the waste our industry creates."

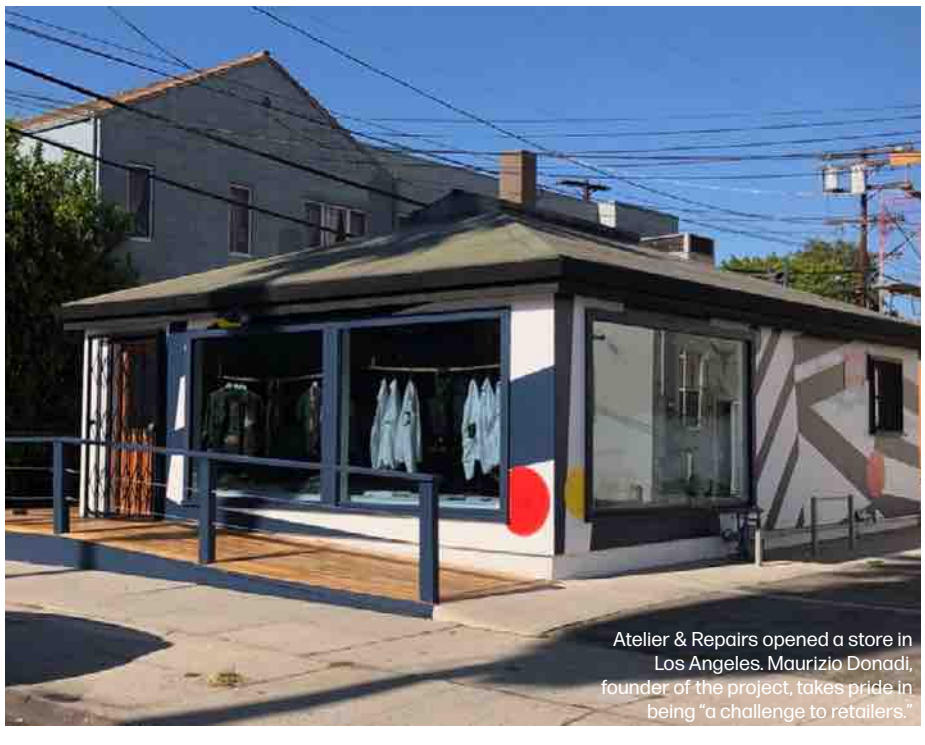
Slow fashion brands such as Lunya stick to neutral colors rather than the hues of the moment such as school bus yellow, neon green and fuschia. Orange isn't the new black for the brand, which is "mostly neutral-based and interspersed with small amounts of color," Merrill said. "We do very small color buys, and the products sell out right away. When people chase newness, it ends up going on sale and then ends up in a landfill."

Merrill doesn't view basics as a derogatory term. "We're a basics company," she said. "We're a product she's going to wear every single day over and over again. This is not cheap and fast. It's the whole trend toward minimalism. How can you focus more on getting things you really love rather than the newest coolest thing. As I get older, I've already done all the trends. I'm tired of going through clothes and tossing them whenever the trend changes. I want a classic collection of basics that are seasonless.

Cuyana sources leather for handbags in Italy and Turkey.



Making Space, Eileen Fisher's new store in Brooklyn, offers Lifework, whose goal is to help consumers build a more mindful, embodied life.



Atelier & Repairs opened a store in Los Angeles. Maurizio Donadi, founder of the project, takes pride in being "a challenge to retailers."

"Our products are all about optimizing the perfect jogger or the perfect silk robe," Merrill said. "We do all small batch deliveries so we don't overshoot the mark. That allows us to sell year-round. We spend a ton of money on fabrics. Our construction costs are so high, but the cost of building something comfortable and of high-quality are higher. We're investing in the idea that the consumer will appreciate the quality and comfort and will wear it for a long time. A brand like Victoria's Secret is more born of the fast-fashion mind-set."

Lunya has other pressures to surmount, such as apparel price deflation "in large part due to the focus on fast fashion," Merrill said. "We're not making an exorbitant amount of money because we're spending so much on the price of creation. Perceptions of how much consumers pay for a product are shaped by the market. You have a shift in the mind-set of consumers. To some extent, that's because they're used to buying cheap things that they throw away and replenish frequently."

A sign that slow fashion is gaining further steam among consumers is the fact that Lunya opened its first Manhattan store this summer. Eileen Fisher unveiled a new retail concept in Brooklyn, Making Space, with four types of collections, including Renew alongside a workshop where consumers can watch how items from the company's take-back program are given a second life, and Remade, one-of-a-kind pieces redesigned and crafted from worn Eileen Fisher clothing.

"When we were telling people to buy less in 2013, people thought we were crazy," said Shilpa Shah who, with Carla Gallardo, founded Cuyana, which launched its first New York retail space in June. "Now everybody is talking about it. We felt so confident in our collection and product quality. We built a supply chain, country by country. We get the margins and value and sell directly to consumers and control the customer journey."

Before launching the brand, "We'd ask women what they'd want to buy again and again," Gallardo said. "They mentioned a blouse they loved, but the brand no longer made that style or a certain pair of shoes they lived in, but the next time they bought the shoes, the quality was gone."

Both Shah and Gllardo's parents encouraged an appreciation for quality materials and craftsmanship. "I grew up in a house [in Ecuador] where my father would change the soles of his shoes," said Gallardo. "He'd say, 'These are some new shoes – they're only 30 years old.' Fast fashion has undone some really great things in our culture. People are so turned on by trends and newness, they've forgotten what function clothes were [meant] to play. People have closets full of stuff. They're still buying more and feeling more and more empty."

Cuyana launched a lean closet program that encourages consumers to take stock of their wardrobes. "We wanted to show women what it feels like to get rid of the stuff you're not wearing," Gallardo said. "They can donate any product they aren't using to Cuyana. We ask customers not to treat us like Goodwill and the Salvation Army and pick the pieces they'd want to gift to another woman."

The Cuyana proposition isn't an austerity plan. "We love fashion," Gallardo said. "We want new things. This is not minimalism. We're saying, buy and use what you love and wear it. Stop buying the stuff you don't care about. Invest in your wardrobe and you'll feel great."

Even high-quality apparel designed to last a long time needs a little help. So brands are teaching customers how to care for garments to prolong their life. "Our clothes are designed to stay in your closet longer," said Rebecca Perrin, chief creative officer of Eileen Fisher. "We design our clothes to stand the test of time using quality materials." But nothing lasts forever, and that's where the Renew and Remade collections come in.

Initially, Re/Make was a story-telling platform, but Barenblat said users kept telling her they didn't trust brands, and wanted a way to discover labels that were doing better. Re/Make vets brands before putting them on the e-commerce area of its site. Items include a Brother Vellies tote bag made from dried palm leaves from Bali and woven in Indonesia, $385; a 100 percent Irish linen jumpsuit cut and sewn in New York's Garment District by a woman-owned company, $240, and a 100 percent linen midi dress from Reformation's Don't Call Me Cute petites collection, $198.

"We lead with style first and product first, but every product is made with integrity and the brand is playing a leadership role in making a difference," Barenblat said. "We're a nonprofit human rights organization. We're 100 percent foundation-funded. We're like the Greenpeace for fashion."