

Introduction

by *Francesca Romana Rinaldi*

Let's imagine the fashion industry in 2030. It won't be the same as today simply because of the sustainability pressures it faces.

Key data highlight the need for an immediate change.

At the G7 Summit that took place in 2019 at Biarritz (France), 32 major brands signed the "Fashion Pact", a document aimed at aligning the fashion industry with the UN Sustainable Development Goals (SDGs) to focus action on three gaps related to "climate", "biodiversity" and "oceans" with objectives drawn on the Science-Based Targets (SBT) Initiative.

For instance, 20% of the industry is now committing to net-zero carbon emissions by 2050 and the use of 100% renewable energy across own operations with the ambition to incentivize implementation of renewables in all high impact manufacturing processes along the entire supply chain by 2030 and eliminating the use of single use plastics (in both B2B and B2C packaging) by 2030. Is this enough?

The tremendous boom in clothing consumption will generate big increases in the use of resources and in the generation of waste. This needs to be managed. On the other hand, we can foresee that the demand of consumers interested in sustainability will rise: voices asking for sustainable fashion will become more mainstream. This consumer segment is influential and will therefore always be relevant for fashion companies.

The book *Fashion Industry 2030 – Reshaping the Future through Sustainability and Responsible Innovation* supports the thesis that an urgent and radical change is needed, both on the demand side and the supply side.

Consumers interested in sustainability will influence other segments by asking for more information, as they already do. Brands will be accus-

tomed to explaining who made their products – and how and where they were made. Those same brands will have to develop new business models based on a value proposition that integrates ethics, aesthetics and innovation as fashion sustainability becomes a widely publicized issue.

This thesis has been partially discussed in the book *The Responsible Fashion Company*. Long-term economic balance in a company can only be achieved by incorporating economic short-term objectives, which are essential for the remuneration of capital and labour. Other non-economic objectives include the relationship with the environment, society, culture, the media, institutions, legislation and, most of all, the perspective of values and ethics.

Today, applying a multi-stakeholder approach for the integration of ethics and aesthetics may not be enough: there is a new need to reshape business models through responsible innovation.

This book investigates changes in the fashion industry towards sustainability and responsible innovation. The different chapters will focus on the key drivers that are propelling the industry towards the 4th Industrial Revolution. They answer the following questions:

- What can the various stakeholders do in order to speed up responsible innovation?
- How can consumers interested in sustainability contribute to this change?
- What will be the role of traceability, transparency, circularity, collaborative consumption, Benefit Corporations?
- How can technologies catalyse this change?

Key contributions by opinion leaders (company CEOs and entrepreneurs, institutions, associations, journalists, activists, etc.) are included. Among the many interviews conducted, some have been incredibly inspiring – for instance that with Nino Cerruti, in the Biella industrial district, cradle of high-quality textiles, located not so far away from the Italian fashion capital. Mr. Cerruti, who represents the third generation of one of the few companies still able to control the complete cycle of wool, from the Australian sheep to the Parisian catwalks, stated during an exclusive interview for this book:

I think that the word *sustainable* is highly inflated and polluted and does not give the consumer the expected guarantee of meaning. For this reason, we need to start by giving this connotation a new definition that should be in relation to

the actual level of quality and to the value that is connected to the aesthetical content. Only in this way can we give due respect back to fashion and textiles.
Nino Cerruti, President of Lanificio F.lli Cerruti and Founder of Cerruti 1881

This is exactly the starting point: the word ‘sustainability’ must take on new meaning.

This empirical, case-oriented and interview-based approach will help explain how responsible innovation must be seen not only as a driver to update business models, but also as the only way to ensure medium- and long-term economic sustainability.

Chapter 1 starts with a topical debate on fashion companies and their important social role; the idea that the integration of ethics and aesthetics may not be enough is also discussed. Then, the concept of responsible innovation is introduced.

In Chapter 2, the characteristics of consumers interested in sustainability are analysed, exploring the many definitions of this consumer segment, the various clusters in existence and the specific communication tools to narrate sustainability in fashion, according to the different consumers’ expectations.

In Chapter 3, Porter’s Value Chain linear model is reinterpreted towards a ‘Renewed Fashion Value Chain’ model to introduce the business models that will be available in the fashion industry by 2030: this is the core chapter that links the whole book together.

Chapter 4’s focus is on transparency and traceability for sustainable value chains in the fashion industry: their role as crucial enablers of more responsible production and consumption patterns is examined.

Chapter 5 is dedicated to technologies for traceability and supply chain protection, with a key focus on anti-counterfeiting.

Chapter 6 looks at how to manage circularity in fashion. The findings of the most updated reports on circular textiles and clothing are presented, together with a discussion of best practices underlying the opportunities and challenges of circularity in fashion.

Chapter 7 describes the opportunities of Collaborative Fashion Consumption (CFC). It presents the main business models and positive environmental effects and challenges of CFC (i.e. rental, subscription-rental and recommerce), following discussion of best practices.

Chapter 8 focuses on the description of the B-Corp certification and of the Benefit Corporation legal form. The case studies provide the reader

with concrete examples of how some key players in the fashion industry have developed effective and innovative ways of incorporating sustainability principles into their everyday business practices.

Chapter 9 discusses the future of fashion towards 2030 and presents the point of view of several opinion leaders. Emerging technologies, such as wearables, blockchain, IoT, Augmented Reality (AR), Virtual Reality (VR), 3D printing, robotics, Artificial Intelligence (AI) and machine learning are discussed. These elements are driving the industry towards the 4th Industrial Revolution. Some open questions will be then presented at the end of our journey across the different drivers of change:

1. Which are the technologies that will disrupt more the industry and will drive business models towards a higher sustainability in fashion? Is blockchain a buzzword or it will really be the ‘internet of the future’?
2. How is automation going to transform economies and the workforce?

To sum up, by 2030 the chances are high that some new rules of the game will reshape the business models of successful companies in the fashion industry:

1. Having traceable and transparent value chains.
2. Involving the consumer in a take-make-remake model to prolong product life.
3. Reading and interpreting data so that technologies can augment human creativity.
4. Granting consumer centricity, engagement and inclusivity.
5. Going from products to services.
6. Making profits without harming the environment or society.

By 2030, fashion companies will try to achieve 100% transparency and traceability. They will involve the consumers in their circular value chains, giving them many options to prolong the life of the product.

Fashion companies will put consumers’ needs much more at the centre through product customization, on-demand collections, the omnichannel approach, transmedia storytelling and one-to-one communication. Thanks to AI it will be possible to craft effective user experiences, where all stakeholders will be active in the fashion value chains so the industry will be much more inclusive.

Fashion companies will go from producing and distributing products to offering more personalized services such as repairing, renting and recommerce. In a nutshell, fashion companies of the future will be integrating aesthetics, ethics and responsible innovation.

Credits

This book is the result of the personal interest, as well as the academic and professional research, of the author. The introduction and Chapters 1, 2, 3, 7 (Chapter 7 was written with support from Accenture) and 9 were written by Francesca Romana Rinaldi; Chapter 4 was written by Maria Teresa Pisani; Chapter 5 was written by Iolanda D'Amato; Chapter 6 was written by Francesca Romana Rinaldi in collaboration with Elisabetta Amadei; Chapter 8 was written by the Nativa team composed of Paolo Di Cesare, Eric Ezechieli, Samira Tasso, Silvia Zanazzi, Nicola Piccolo and Letizia Rigazzi.

Acknowledgements

A special acknowledgement goes to those who have contributed to generating ideas for the book.

I would like to thank Prof. Salvo Testa from giving me guidance during my whole career. Thanks to Prof. Emanuela Prandelli for letting me discuss with many students about responsible innovation at MAFED and Prof. Paola Varacca Capello for sharing her suggestions and being my reviewer. Thanks to Prof. Guido Corbetta for having given me the opportunity to start teaching.

A special acknowledgement goes to Matteo Marzotto e Matteo Ward for writing the Foreword of the book. Many thanks to Andrea Ruzzi and Paola Sironi from Accenture for the support in writing Chapter 7 on Collaborative Fashion Consumption.

A special thanks goes to all the people who have believed in the project and dedicated their time and attention during meetings, projects and interviews, in particular: Nino Cerruti, Marina Spadafora, Erika Andreetta, Albert Candiani, Simon Giuliani, Danielle Arzaga, Yannick Meijers, Varonica Tonini e Livia Mazzoni. Francois Souchet, Enrica Arena, Silvia

Giovanardi, Anna Fiscale, Chantal Marchetti and the entire Progetto Quid team, Eva Engelen, Enea Roveda and Tommaso Perrone, Iolanda D'Amato, Eric Ezechieli, Heinz Zeller, Orsola de Castro, Michelangelo Pistoletto, Anne-Ro Klevant Groen, Giorgio Ravasio, Isabella Tonelli, Emanuele Micheli, Fabio Foglia, Prof. Luigi Proserpio, Niccolò Desenzani, Nicola Giuggioli, Maria Teresa Pisani, Maria Benedetta Francesconi, Giusy Cannone, Simone Ubertino Rosso, Daniele Denegri and the entire Green Media Lab team, Mihela Hladin Wolfe, Yannick Meijers, Gianluca Pandolfo, Louise Brierley, Mario Campori, Stefano Bassi and the whole Patagonia team.

Thanks to Sara Sozzani Maino, Nicoletta Spolini and Elisa Pervinca Bellini and the whole Vogue Talents team.

Thanks also to the Bocconi students for providing food for thought, especially Michela Agarossi and Elisa Mora. Thanks to Sara Zanella and Olga Yanovska Bianchi.

Thanks to Erica Corbellini and Stefania Saviolo for their support.

Thanks to the MFI students of the Master in Fashion Direction, Brand & Business Management - Sustainability Management Track.

Thanks to Piero Jacomoni for inspiring me as an entrepreneur.

Thanks to Rossella Ravagli and Alessandra Guffanti for keeping alive a fruitful discussion about a more sustainable future for the industry.

Thanks to Alberto Sanna for letting me find out again what it means to be an activist for environment and society.

A special thanks to Liuba Napoli, Valentina Perissinotto, Lucia Paladino, Elena Cardin for giving me continuous support.

Thanks to Cinzia Facchi and the whole Egea team.

Thanks to Elena Riva, Flavia Bleu, Giulia Minola and the whole Visualmade team (<http://www.visualmade.it>) for designing the visual of the Renewed Fashion Value Chain and making the booktrailer.

Thanks also to Tiziano Guardini, Progetto Quid, WRÅD and Fashion Revolution for providing the images and videos for the booktrailer (<https://www.youtube.com/watch?v=WGlckLhPX4g>).

Thanks to Francesca Mariani (www.francescamariani.com), best friend, artist and illustrator, who created the book cover.

Thanks to my friends and my family who supported me all the time.