

## RESPONSIBLE LUXURY 2006

For its 12th industry event, *Luxury Briefing* zeroed in on a highly topical subject, *Responsible Luxury*. Encouraged by the themes that emerged from the New York conference in May, we invited some of the brightest and best thinkers and practitioners to challenge and inspire those working in the luxury industry to take a lead in making luxury more responsible

### Chris Sanderson & Martin Raymond, Founders, The Future Laboratory *New luxury –new responsibility'*

As conscientious consumerism becomes increasingly endemic Chris Sanderson and Martin Raymond looked at the balance of luxury versus responsibility. They pointed out that a 1°C increase in average world temperatures would lead to 300,000 additional deaths per annum from malnutrition and 10% of species becoming extinct. Should this occur, in 25 years' time London, Tokyo and New York would be under water.

As a bolster against such eventualities a number of new initiatives have emerged. These include the Nu Austerian movement which embraces stores such as Melrose & Morgan in London. Similarly, designers like Keiren Jones, Marten Baas and Jasper Morris create pieces using items that would otherwise be discarded. It is now **designers who are leading the way in the field of responsible design rather than brands.**

Statistics show that 43% of consumers want to make a greater personal effort to reduce climate change. This means that **brands need to pin their moral colours to the mast.** Responsibility for the community has taken such precedence that 18% of consumers have said that they are more likely to support socially ethical and environmentally responsible brands. With high net worth individuals the trend goes further, with 48% saying that they want to support brands, products

and services that demonstrate a values agenda. It is claimed this is why Waitrose is consistently voted as Britain's favourite supermarket, despite only controlling 6% of the market.

Three Ts – Truth, Transparency and Trust – are essential, but also rated by consumers as the qualities least likely to be found in luxury brands. Research indicated that **25% of luxury consumers would be willing to pay 20-40% more for products with the three Ts guaranteed.** Fashion brands were viewed as being the least likely to embrace the three Ts, but each fashion brand consulted said that it would be unwilling to sign up to a values charter as it could not guarantee that each step of its sourcing and production could be controlled to this degree.

People want to know the 'back story' on their products – not just in terms of production, but also the components. The Future Laboratory cited the buzz phrase as ALERT: Authority, Leadership, Ethics, Responsibility and Transparency.

The message coming from consumers is that exclusivity is no longer important and conspicuous excess is old hat. It is now about inclusivity, giving back and brands that add meaning to our lives. The things that are valued are knowledge, value, experience and rarity. Less is the new more.

[www.thefuturelaboratory.com](http://www.thefuturelaboratory.com)

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### Julia Hailes MBE, Sustainability Consultant & Author, *New Green Consumer Guide Changing the world*

Julia Hailes cautioned that actions need to be linked to impact: consumers need to understand the issues. Every consumer decision has an impact on the environment. She pointed out that the products and issues are now radically different from 10 years ago and the issue now is getting the best products rather than choosing the perceived green option – which may in fact be less green than it seems.

The three key factors in improving the situation are

1 Individuals making changes, 2 Manufacturers and retailers changing and 3 Government legislating. Julia suggested that the important thing was not boycotting products but setting the agenda and lobbying manufacturers. As an example, the average person buys eight T-shirts each year, however textile recycling has collapsed in the UK. The solution is that either disposable

fashion needs to be recyclable or fashion needs, ironically, to be more enduring.

Changes also need to be made in production. In the US cotton crops account for 4% of land use, but 25% of all pesticides. An alternative would be hemp, which uses fewer chemicals and less energy, water and land to grow. Marks & Spencer has taken a step in the right direction by banning 56 chemicals from its dyes and removing effluents from them before releasing them into the environment.

Luxury brands have the money, innovative force and the designers to lead from the front and should see it as an opportunity. Where they lead others will follow and the changes will trickle into the marketplace at lower levels.

[www.juliahhailes.com](http://www.juliahhailes.com)

### PANEL *The media view* Moderated by Giles Gibbon, Founder, Good Business

#### GG: *What needs to be done?*

**Sarah Miller, Editor, Condé Nast Traveller:** The fashion industry won't change but editors need to address the power of consumerism, encourage good behaviour and stop being cynical.

**Jo Fairley, Beauty Journalist and Founder, Green & Black:** The challenge for the media is to make this something beyond a fad. If it is too fashionable it will become unfashionable at some point in the future. We need to live like our grandparents and conserve. The media don't see anything beyond the next issue and need to take more of a long-term view.

**Jeremy Langmead, Editor, Wallpaper:** The hardest group to reach are the early 20s as they don't read newspapers. The newspaper coverage of these issues has been fantastic. But coverage has to be presented in a way that appeals, however faddy

this may seem.

#### GG: *Can companies help by innovation?*

**JL:** Yes, if they keep innovating, people will keep buying. Good design is durable, and can be re-used rather than just discarded.

**JF:** I want them to invent an i-Mag where I can have every magazine in electronic form on a screen that is as easy to hold as a magazine. It would save paper and transportation costs and I wouldn't have a pile beside my bed!

**SM:** I would like to see more restaurants like Café Konstam in King's Cross where all food is sourced from within the M25. The luxury industry has so much to offer due to the trickle-down effect that occurs.

**JL:** Maybe instead of selling a new style of bag each season brands could sell a new pendant to attach to it to update it, but

charge more for the original bag as part of the less-is-more shift.

**GG: What about the deprivation factor? Is it necessary?**

**SM:** Luxury isn't about a quick fix. It's a quality of experience issue. People could take the Orient-Express instead of Easyjet to reach some destinations. What we need to worry about is when the low-cost boom hits India and China. People are not going to stop flying, whatever we do.

**JL:** Holidaying in this country is likely to become more popular, even though it's more expensive than abroad, as many now hate the whole flying experience, which just seems to get worse.

**GG: Have the media done a good job of telling the story?**

**JF:** There has been a lot of coverage of events like the Stop Climate Change march where Raziq and KT Tunstall took part.

**JL:** People are always interested in new stories and there are a lot of interesting facets to this subject.

**GG comments:** There has to be a way of communicating that brands are pursuing interesting initiatives, and the media provide this. It then translates into sales for the brands.

**GG: What else can they do?**

**JL:** Report on the interesting things out there. There are many young designers tackling this issue but they don't get huge coverage. Wallpaper is looking at this in relation to the Milan Design Fair. The media can use its expertise to make a difference.

**JF:** At the moment Green is merely portrayed as being the next pendulum swing after Bing, but the message has to be enduring.

**SM:** The power of brands at this conference is phenomenal – the people in this room could make a huge difference. It will happen slowly at first but then there will be a huge rush of action. You can't beat readers over the head, and the media can't write stories about positive action if the brands aren't doing it in the first place.

### Jeffrey Miller, Creative Consultant and Luxury Briefing columnist *The world of illusion*

Jeffrey Miller began by reading an excerpt from the book *A New Earth* by Eckhart Tolle on the potency of flowers. He advised that we should all have flowers in our offices this "reboots the rooms and cleans that atmosphere. With flowers in the room creativity will blossom." He urged us to remember the beauty of the natural in the search for creativity. This is what creation is about – not price and the illusion of luxury and prosperity.

He then advised us to read *Phantasmagoria* by Marina Warner, and watch *Mountain Patrol* – a film about defending Tibetan antelopes against the *sha toosh* craze at its height and the first anti-luxe movie. Contrast these with the excesses in the recent *Marie Antoinette* and the consequences of conspicuous consumption. Also free yourself from the myths by reading *Rescue From Domestic Perfection* by Dan Ho.

Shift is happening, 'greedlock' is dissolving. It is like an explosion of scent from all the flowers around and a

progression of the flowering.

Read *The Audacity of Hope* by Barack Obama. Find the goodness within and allow it to emerge. There is much goodness that we have that we don't even recognise. Major brands are responding to this. FedEx is embracing hybrid vehicles, McDonalds is looking after the welfare of chickens, Starbucks is supporting clean water and sustainable agriculture projects and Timberland is planting trees to replace forest lost to its leather-providers.

This is the first time there has been such a mass move towards goodness that's not related to religion in the history of humanity. This is not a fad. There is no tipping point – that is an illusion. Shift happens – but it takes effort. Where are the luxury brands in all this? They have ideas just waiting to blossom!

**Contact via Luxury Briefing**

### Timothy Ryan, Director, Brand Marketing, AOL *Luxury in the digital age: the need to engage*

Tim Ryan reminded us that Google allows people to find out practically anything they want. This means that politicians and brands can no longer hide. However people find not just what you have put there but also what others have written – whether it is true or not. The balance of power is shifting to consumers.

This is only going to get worse as media convergence takes place – soon all media will become digital and as soon as things are properly digitised, search engines can find them. However digital media is a valuable promotional tool. Consumers want to engage with brands – not be interrupted by them. They are also choosing how they interact. The Honda website does a particularly good job of this.

Discussion is also important for the user. An online discussion forum can generate huge strings of comment. However this means that control is lost as consumers take over. Corporate blogging can also be used, but there are rules: ① Keep

it simple ② Keep it relevant ③ Keep it up-to-date ④ Don't be afraid of criticism ⑤ Use it as a way to humanise your company.

Digital media is now another part of the marketing mix. Consumers expect to see expensive, glossy advertising campaigns, but digital media can communicate other key elements of the brand – and be more up-to-date. Ermenegildo Zegna and Howies both use websites well to communicate their environmental credentials. Use digital in the way you would once have used press releases – speak to your digital team about what you can do. The possibilities are endless.

Points to remember with digital communication: ① You are no longer in control ② The future of brands is about engagement ③ Don't hide your good deeds ④ The consumer wants to know more about you than you think ⑤ Digital is your friend. Embrace the possibilities and be creative.

[www.aol.com](http://www.aol.com)

### Serge Dive, Founder of ILTM and Beyond Luxury *Luxury: from excess to philanthropy*

Serge Dive pointed out that by its very definition luxury has traditionally been about the non-essential and excessive. At the same time it is about beauty and should not be about guilt. This is why 'Philanthrocapitalism' is a current buzz-word. It gives people a sense of philanthropy while they consume. However Philanthrocapitalism is not just about giving to charity. It should be viewed as a business model in its own right. Philanthropy is now a consumer marketplace. The future is with the younger generation who will choose the brands that contribute to their ideals and be vocal about what they want from them.

Wealth is growing and there is no alternative to capitalism. It

is natural that there is going to be a shift between what people need and what people want and luxury is constantly creating new myths of beauty and escapism to sell. In the late 1980s a new era began where luxury became about the experience as well as the product. This was brought about by the Baby Boomer generation who had different ideals to their parents. We are now in a new phase where luxury is about self-actualisation and living a fulfilled life rather than being about social upgrading. It is less about the brands and the luxe features and more about the power to pursue passions.

[www.beyondluxury.com](http://www.beyondluxury.com)



## THE 2006 LUXURY CONFERENCE - *continued*

**AA Gill, Columnist, Sunday Times** *This is what I think*

In determining what we eat, economics are the dominant factor but some people tend towards buying on principles.

One of the problems with the organic movement is that it has become devalued due to poor standards. It needs to promote better practice across the board. Another difficulty the food industry faces is that control is now being taken out of the hands of the farmer and being grasped by residents of Notting Hill. True luxury is about proper animal husbandry and diversity of species and it is the farmers who understand this properly.

There has also been much talk about food miles. We need to remember that Britain was a mercantile nation and that much

of the food that we classify as being very British is actually from overseas, tea and the spices we use being prime examples. Let's not get rid of overseas food: let's just find more sensible ways of getting it here. Buying food from overseas nations also helps developing countries. One of the biggest issues is that we need to be willing to pay more for things.

Luxury is not a bad thing that should be frowned upon or curtailed for the sake of philanthropy. One end of human life should not be restricted to aid the other end that does not have the same means. This approach is too simplistic and life doesn't work like that.

### **PANEL *Walking the talk: making responsible luxury pay*** Moderated by **Jonathan Ford, Director, Pearlfisher**

**JF: How can you be ethical and successful?**

**Roo Rogers, Founder, OZOCAR:** When we started we tried to gain business by approaching wealthy institutions. These companies put environment second and so we had to make sure that the product was really good.

**Robert Calcraft, Founder, Ren Skincare:** You can't get away with producing something less good than the non-ethical counterparts. Product is key and we make ours just as luxurious as the others – we just avoid certain ingredients.

**Justin Francis, Founder, [www.responsibletravel.com](http://www.responsibletravel.com):** People can have both a good time and an authentic experience, and it can be very beneficial to the local community.

**JF: How do you balance desire and virtue?**

**RC:** It's hard work finding a product which is what we want it to be but without sacrificing our principles.

**RR:** I thought that setting this up would be more difficult than it

has been. The environment has been a good business as from sales to recruitment we find that people are very responsive to what we are doing.

**JF:** Calling ourselves Responsible Travel could have been a death knell, but it has worked. The people who are attracted to our company are very positive about what we are doing.

**How can you reconcile the elements?**

**JF:** You have to make the whole of your business about responsible luxury – it can't just be a project. Don't start shouting about what you're going to do until you've done it. However green your projects, there's no point if the core of your business is rotten.

**RC:** Consumers smell a rat if you are cynical. You have to believe in what you are doing and follow it through wholeheartedly.

**RR:** Much of what is out there is greenwashing. I've done a lot of consultancy and noticed this. You need to come up with a simple response that genuinely works.

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### **Robin Wight, Chairman, Engine Group** *How to flaunt your Peacock's Tail in the new eco-system of luxury branding*

Robin Wight based his presentation on the Peacock's Tail theory. The idea concerns the battle between the genetic mind and the cognitive mind. The genetic mind is what attracts us to luxury: it makes us responsive to peacock-like displays of excess as we are biologically programmed to be drawn to evolution of status and evidence of fitness. It shows one person to be more genetically able than another as they can be afforded to be wasteful, be it of time or material items.

The cognitive brain tells us that it is wrong to be wasteful and counteracts the wasteful tendencies of the genetic brain. The cognitive brain responds to green signals, good citizenship in brand behaviour and the sponsorship of worthwhile projects. However there is still an element of display in this – the most popular 'green' purchase in B&Q is an energy-producing windmill, which is only the 6th most useful thing householders

can utilise in helping conserve energy. It is more about show and status than changing the planet.

In the same way companies can signal that they are citizen brands. Putting social issues at the front of the business agenda is good for business. Throughout history, donation and patronage has always signalled status – now altruism has a similarly impactful end. It's about being able to afford to be altruistic. The genetic and cognitive mind grapple over the issues of consumption, donation and abstention but in the case of all of these issues it is still about being conspicuous and signalling.

The genetic mind can be overruled by the cognitive mind and what we know is good for us can take precedence over what we are genetically programmed to do – contraception is the classic example of this. Equally a new school of great products could take the place of the old, arguably wasteful style of luxury.

### **POSTSCRIPT**

*At the end of the day, Chris Sanderson of The Future Laboratory challenged the audience to see how much cash could be raised in five minutes for Trees for Cities (see [www.treesforcities.org](http://www.treesforcities.org)). The total managed was £367 which means that a tree will be planted in Kennington Park SE11 with a plaque commemorating the Responsible Luxury event. The balance of the money will allow for 57 trees to be planted in a deforested area of Peru.*

### **THE MAY FAIR**

*The Conference was held in the May Fair hotel. The property, which is owned by the Radisson group, has recently re-opened having been the subject of a £70m refurbishment. Located in Stratton Street, between Piccadilly and Berkeley Square, it is one of the few hotels in the Bond Street area to offer – in addition to the 295 rooms, day spa and restaurant – a fully-equipped presentation theatre/cinema for up to 200 people and a function room for a similar number.*