Conceptualising sustained high quality fashion products in a devalue dominated marketplace


## Abstract

The current fashion system largely sustains an industry through excessive consumer consumption habits resulting in an environmentally unsustainable industry. Fashion trends coupled with mass-production strategies, predominantly within the lower and middle market sectors, is considered to have devalued fashion by many; and has impacted on the higher end of the market forcing brands to reconsider their quality and price points to remain profitable, or to tolerate lower sales volumes. The online auction culture is a further consideration, with consumers having ready access to cheaper luxury goods, albeit second-hand, which supports the continuing growth of vintage and retro trends reinforced by trend forecasters and endorsed by those with an interest in a more sustainable lifestyle. This presents high-end brands with an opportunity to strengthen their position in a changing marketplace. This paper deliberates factors that contribute to the devaluing of quality before debating the opportunity that the new online culture presents to the high-end sector with the inclusion of a conceptual business model. While conceptual, after deliberating notions from fashion history and from current affairs, the paper proposes an optimistic future for luxury fashion brands and products if new technologies, such as on-line tools and facilities, and advancing consumer behaviour preferences are embraced and utilised to full capacity. It is not to be suggested however that the conceptual business model is solely for the purpose of the on-line retail context.



## Key words

Luxury; Fashion; Quality; Style; Value

## Introduction

On the 9th July 2009, fashion columnist for luxist.com, Kristin Young questioned what was meant by the term luxury in the fashion context. The article began with a discussion of certain designers and retailers; Christian Lacroix, whose design house was ailing at that time; the New York speciality store, Henri Bendel's, who had announced that they would no longer be selling designer apparel in order to concentrate only on the "*smaller ticket items*", that is the items that design houses and retailers rely on for sales, mostly accessories, jewellery and perfume; Spanish designer Cristobal Balenciaga; the Italian fashion house – Prada; Paris based Hermés – originally famed for its hand-crafted leather products, and the Italian fashion house Zegna – specialising in luxury men's wear. The concept of luxury being synonymous with higher ticket prices than most can afford, and therefore exclusive was considered problematic for the declining sector; a point also made by journalist Dana Thomas in *Deluxe: How luxury lost its lustre* (2007), as this article states, and that the CEO of the Luxury Institute, Milton Pedreza, when discussing this failing industry, recognised the need for "*luxury companies* [to] *reinvent themselves to stay relevant*". The main aspects of luxury were declared as being "*great design, superior quality, heritage and service*", but this alone was no longer enough. The article proposes an advantage in the marketplace for companies that are seen to be "*socially responsible, ethical, charitable and eco-friendly"*, but increasingly so, luxury companies not only need environmental awareness, high quality and stylish products, they also need to realise lower prices to be affordable for the many rather than for the few. This move of course would be contrary to the exclusivity philosophy of luxury. However, as we will see, lowering prices may not necessarily be the solution. This paper discusses luxury in the context of high quality products, drawing on current and historical attributes, and outlines the factors that threaten the high-end fashion sector before discussing the opportunity that the new online culture presents with the inclusion of a conceptual business model for a possible more sustainable future. As the characteristics of luxury are the same regardless of the retail channel the model is not intended to be solely used in the on-line context.

**Luxury in context**

The luxury sector is seen to have consolidated during the latter half of the 1990s with companies such as LVHM, Gucci Group and Richemont (Compagnie Financiére Richemont SA), a luxury goods holding company based in Switzerland (Okonkwo 2009, 287). Okonkwo (287) reported that the sector was worth around US$20billion in 1985 and had increased to around $180billion by 2009. This increase was declared to be due to "*globalisation, new market sectors, wealth-creation opportunities, digital communications, international travel and culture convergence and new business practice"*". Okonkwo also suggests that it is the "*socio-psychological*" interaction of consumers with "*recognisable style, strong identity, high awareness* [of], *and* [the] *emotional and symbolic associations* [when] *linked to brands"* that has resulted in the current luxury market sector; and that luxury can be summarised as a "*dream"* (287). More recently, the online platform for consultancy businesses, Consultancy UK (October 22, 2015) report a 3% rise in the global luxury market to €224billion in 2014 declaring the accessory sector to hold the largest share of the market; and a significant growth in on-line channels for luxury products is reported. However, the growth in demand for luxury is substantially lower in Europe than in the USA, China and Hong Kong, Japan, and ROW (the Rest of the World); the Chinese market is reported to have experienced the most significant growth.

Moore, Doherty, and Doyle (2010, 143) refer to Moore and Doherty (2007) defining luxury from a retail perspective as being: *"exclusively designed, manufactured* [products] *for the retailer, exclusively branded, of superior design, quality and craftsmanship, priced significantly high* [and] *sold in prestigious retail settings".* Couturiers have always understood the necessity for impressively expensive retail establishments (Taylor 2004, 136).

The fashion theorist, Gregory, proposed in 1947 that if a large number of retailers stocked similar fashions the competitive rivalry of the retailers would create one of two scenarios, or both. Either retailers would become highly price competitive endorsing price rivalry, or the quality of the product offering would be greatly improved thus building quality rivalry. If retailers opted to improve the quality but sell at a comparative price to less quality merchandise then the result is still that of price rivalry. Gregory argued that price rivalry was a condition that fashion products were not subjected to as styling rivalry prevailed at this time; even though economies and societies were still vulnerable after the war. Gregory's thinking was very likely due to the innovative designs filtering down from the top designers into mainstream fashion and women's apparent reluctance to relinquish their sense of style. Gregory recognised that style rivalry naturally stimulated sales without any pressure to improve the offering through marketing efforts or add on benefits and therefore the fashion business could be said to be "monopolistically competitive". It is evident that today, and for some time now, style rivalry has been replaced by price rivalry to the detriment of the fashion and textile industry. The importance of style rivalry cannot be underestimated. As a stimulator of quality the consumer should benefit from increased value for money, this is not to say that products are to be sold at prices similar to lower quality goods, which could have the potential effect of devaluing quality. Style rivalry would undoubtedly increase the diversity of the fashion offering on the high street, relieving pressures to constantly employ promotional activities that reduce profit margins.

Further, from a business perspective, a report published March 2015 for the Department of Business Innovation and Skills (BIS 2015) reports a reduction in real consumer prices for clothing and footwear being largely due to fast fashion, reduced import prices due to globalisation and changes in consumer tastes as they pursue other product preferences such as electronics (5-6). With consumers' increasing preferences for low-cost clothing (41), it is suggested that brand loyalty, regardless of price, is now very important; though BIS also reports increased dissatisfaction with apparel, mostly due to "*poor sizing, insufficient quality and excessive uniformity*" (22).

From the consumer perspective, Women's Wear Daily suggests on December 20, 2012 that consumers no longer see the benefits of cheap fashion, as to compromise on quality is losing favour, rather consumers prefer to build "*longer-term relationships*" with their clothing. The article cites Cotton Incorporated *Lifestyle Monitor*™ Survey which found that 44% of its respondents claimed to be willing to "*pay more for better quality apparel*." The article also cites Journalist Elizabeth Cline, "*author of Overdressed: The Shockingly High Cost of Cheap Fashion*," who states that due to inherent shopping habits consumers do not "*realize* [that] *they can afford better quality apparel*", as they chose to spend small amounts on many products instead of investing larger amounts in fewer higher quality products. Cassidy and Bennett (2012, 244; 252) also realise an appreciation for higher quality in fashion product when investigating the vintage fashion sector. This is echoed by Stanley (2015) where the shift for quality over price is also experienced by the current music industry through the appreciation and demand for vinyl records, where sound quality is reported to be considered more superior to the sound achieved through modern recording technologies, which has resulted in its own music chart revival.

**The development of the luxury concept**

The roots of today's global luxury fashion sector lie in haute couture, which strategically supported the silk industry in France from around the mid-19th century (Frings 1999, 5). Haute couture was defined by Sproles and Burns (1994, 12 cited in Yurchisin and Johnson 2010, 12-13) as "*one-of-a-kind, made to order collections of famous designers*". At that time, Parisian designers, including Jacques Doucet, Jeanne Lanvin, Mme. Paquin and Madeleine Cheruit, and other immigrant designers, such as Englishmen Charles Fredrick Worth and John Redfern (Callan 1998, 87-199) joined others who opened couture houses in Paris where they produced early designer-wear which today may be categorised as luxury (Frings 1999, 5). Over time other designers opened fashion houses in Paris, in order to be classed as "haute couture" (high fashion) by the *Chambre Syndicale de la Couture* established in 1910.

The growth of the textile industry and growth of the middle-class (Frings 1999, 6) during the 19th century also contributed to the development of the haute couture industry. By the 19th century off-the-rack clothing was becoming more readily available (Lehnert 1999, 98) and clothing itself became a show-piece of the wealthy, with women being classed as *"luxury objects"* when "*power and influence belonged to men*" (100). The newly wealthy bourgeoisie were "*without* [the] *infallible taste*" that the aristocracy were accredited with, and therefore the middle-class were seen to be seeking a style of their own and for them the couturier became an "*autonomous creator of original ideas*" (102). If we could describe haute couture of the past as luxury, then the definition would be one of "*coupling style with a certain designer's name*" (103) and the high social regard of the designers and their creations.

Haute couture, just as the clothing industry today, thrived through marketing and retail efforts, much of which has been accredited to Charles Fredrick Worth. Feeling undervalued he stopped visiting clients, instead having them come to him and often turned clients away, which made him more exclusive and more sought-after. He created his own signature and image to market his talent and was successful in dictating style to the wealthy, gaining social standing. He is thought to be the first to sew his own label into his creations (114) and was regarded by many as being the best fashion designer at this time. Worth turned visits to his salon into social events and designed collections for clients to select from, and was the first to use live mannequins to show his creations. If we could describe Worth as a designer of luxury, his success was built on a signature style with inherent quality and glamour (115); but it was not all about the product, the "shopping" experience as an inherent part of the service was a very important ingredient for Worth's success; an aspect still considered greatly important in the acquisition of products today.

For men the business suit was all important. Henry Poole and Company was one of the first to establish their tailoring business in Savile Row, London in 1843. Savile Row became the international centre of fashion for men. Harrods established in London in 1849 originally as a grocery store, but later as one of the first department stores, and by 1880 was the largest in Europe. Liberty established also in London in 1875 and by 1878 was producing its own luxury fabric prints to retail in store (Frings 1999, 6-7). Similarly, in France prestigious department stores established including Bon Marche, Samaritaine and Le Printemps each building its reputation for luxury through product and service (10).

Examples from 20th century designers also indicate elements of the luxury package. In the 1920s Coco Chanel liberated women, thus adding leadership to the mix, and through simplistic designs and the innovative use of cheaper fabrics was in tune with the aspirations and needs of modern women in society (Lehnert 1999, 126). In post-war haute couture, Christian Dior had recognised women's desires for "*pretty clothes*" (146) and his "new look" of 1947 became synonymous with post-war fashion. Lehnert (149) put the onus of luxury back on to products and materials in her discussion of "*new luxury*" with "*suits for females, bathing suits, full-skirted evening dresses"* and the incorporation of new synthetic fibres improving home and work life. In the 1960s a new form of luxury, as a point of difference, entered into the equation, with designer retailers setting up shop in Carnaby Street, in the heart of London where the youth of the day could find trendy old and new clothes, inexpensive products delivered with a new shopping experience (57); and couture moved into the middle ground with prêt-a-porter collections aimed at this new fashion consumer (158). This move allowed designers to maintain their reputations for "*innovative and exclusive hand-made designs*", but shifting the focus for their main income. In the Redfern Fashion House, Paris, haute couture clients were being "*pampered in elegant surrounding"*" (Mendes and de la Haye 1999, 18), enhancing the shopping experience. In 1964 the fashion boutique Biba was established by Barbara Hulanicki from a successful mail order company. The small shop played loud music, had a retro Art Nouveau interior, communal changing rooms and bentwood coat stands instead of dress rails (181) giving something new through a different shopping experience. While today, one may discount this as being luxury, to the young fashion consumers at that time it was nothing short of luxury for the cool and trendy. Products from the 1920s through to the 1960s are particularly sought after today (Cassidy and Bennett 2012, 255-6) and the acquisition of these different shopping experiences continue to be enjoyed.

Taylor (2004, 122) spoke of the couture industry moving "*from one economic crisis to another from the 1920s"* onwards and running at a loss from the 1970s. She emphasises the change in the "*cultural mood"* after World War I and of how this forced some fashion houses to close or merge (126) and those remaining in business turned their attention to profiting from the less wealthy (127), in particular selling their toiles (design patterns) to the ready-to-wear manufacturers; and relying heavily on the sales of their own label perfume and accessories (128). With the growth of the youth market from the 1960s London's couture had "*virtually died"* (130) and luxury was to take a different turn. Taylor (133) refers to Tommy Hilfiger as a good example of a new entrant into the designer market in the 1990s, who was highly successful through his advertising campaigns and overall strong marketing efforts which gave his casual wear “designer” and at times “high fashion” status (133). Hilfiger capitalised on the “*commercial power*” of the brand logo (136), and launched his Red Label line in 1999 declaring that it was created for celebrities (136-7), however one year later his shares slipped (139), the “designer” bubble of the 1990s had burst and logos were now considered to be “bad taste” (Arnold 2004, 169).

**The fashion system and its unsustainable blueprint**

The current fashion system sustains an industry through a process that has, through habitual excessive use of consumer goods, created an industry which contributes negatively to environmental sustainability. In simple terms, from a logistics perspective, the fashion supply chain can be thought of as a linear process, where raw materials are gathered (natural fibres) or manufactured (synthetic fibres) and processed into yarns. Yarns are then transported to be converted into woven or knit fabrics, or hides are processed for leather goods. Fabrics are then transported to be manufactured into garments, accessories, etc., then transported to retailers either directly or indirectly through warehouses (Rath, Petrizzi, and Gill 2012, 325). These are the processes where the environmental footprint is the responsibility of the industry. However, it is the successful marketing efforts that promote sales in the retail sector that encourages high demand and excessive consumption habits (Gordon, Carrigan, and Hastings 2011, 145); though typically, in the current marketplace, this has been aided through the use of cheaper materials and simplistic designs that are quick to produce. The value market and fast fashion conglomerates - fast fashion garments being largely copies of luxury apparel (Joy et al. 2012, 273) that quickly become short-term mainstream trends supported by vertical manufacturing systems - have a large stake hold in the fashion market. The value market relies on saturated presence on the high street to sell high volume. Fashion trends coupled with mass-production strategies to sell high volumes of low-quality products with low production costs at relatively low prices to consumers is considered to have devalued fashion by many. This devaluing of product, predominantly within the lower and middle market sectors, has also impacted on the higher end of the market forcing brands to reconsider their quality, to reduce prices to remain profitable, or to tolerate lower sales volumes; whereas luxury brands use an exclusive distribution strategy retailing from their own stores, through select outlets and direct to consumers via the internet (Rath, Petrizzi, and Gill 2012, 321). It is considered that in order to maximise the sale of luxury goods, personal selling (387) is beneficial and excellent service and a well defined and well delivered shopping experience are essential. Moore, Doherty, and Doyle (2010, 156) declare flagship stores to be important for luxury retailing and as a useful "*market entry mechanism"*.

**The changing face of the luxury sector**

Couturier designers' show their designs seasonally on the catwalk (runway) which are interpreted by buyers and fashion editors for the mainstream fashion industry. Manufacturers and chain-store retailers reinterpret the designs for their target markets and collectively offer consumers a choice of price points (Yurchisin and

Johnson 2010, 13). This practice is coupled with seasonal fashion trends promoted to create interest in the product offering on the high street. This strategy enables high volumes of low priced and low-quality products with low production costs to be made available to consumers, which can be perceived as devaluing fashion. Consequently, this has impacted on the high-end of the market forcing luxury brands to reconsider quality in order to reduce prices to remain profitable, or to tolerate lower sales volumes.

The devaluing of luxury product was a particular concern highlighted on the Just Style website in an article by Euromonitor International (2012), which focused on the shift of luxury fashion *“to the middle ground”*. The article raised the question of whether or not it is beneficial to the industry to democratise luxury through “*accessible price points*” and increasing revenue at the risk of “*diluting the status consumption culture*”. It states that it is the act of brands positioning themselves in the “*accessible price”* point zone that has helped to make this sector resilient to the economic downturn. This, the article claims, aids middle-income shoppers to either treat themselves or to invest in higher quality products for their long-term value, one may assume to then sell on if they require the capital at a later date. This lowering of price points has also been recognised as a driver of other nationalities entering into the luxury market, facilitating the globalisation of luxury. The article claims that such entrants are drawn by the “*prestige value”* of the products and the “*status*” of owning them. Brands including Jimmy Choo, Mulberry, Burberry, Ralph Lauren and Michael Kors are named as example companies who have successfully repositioned themselves in this newly defined “*middle ground of luxury goods*”, thus “*shifting down market”*. Similarly, Prada is introducing discount outlets bringing luxury down-market into the middle ground. However, there are brands doing the opposite, shifting "*upmarket"* such as Coach, with their much higher price points targeted at the relatively small market that can afford them, and thus increasing the aspect of exclusivity. Lingerie retailer, Victoria's Secret and H&M's '& other stories' are also initiating moves in an upward trajectory entering into this middle ground of luxury. More brands are therefore demonstrating multi-channel models to serve different market needs rather than being a one-sector operative. The article questions the likelihood of making luxury products more accessible and affordable eroding the very characteristics of luxury; in particular, exclusivity. It concludes that all will be well if the industry manages to maintain boundaries between the different luxury market segments. Okonkwo (2009, 287) also acknowledges the changes in the "*luxury landscape*" and the necessity for luxury companies to refine their management practices.

In addition, more recently the fashion media has reported and shown evidence of celebrities mixing high fashion items with mainstream fashion and even with vintage pieces. Celebrities are incorporating lower-grade fashion product into their "look" and the reporting of this practice has resulted in a trend on the high street with trend-conscious (mostly) youngsters, who like to copy the styles worn by their favoured idols. To achieve the same look, they are mixing their regular lower-grade fashion product, of which they can easily afford, with more expensive pieces. While these "fashionistas" may not be purchasing luxury goods to achieve this look, rather buying copies or even counterfeit goods, the suggestion of luxury being perceived as being an appropriate accompaniment to low value goods can be viewed as further diluting the luxury brand image.

**Further considerations**

Planned obsolescence is a business strategy to deliberately shorten product lifecycles and to encourage the sale of further products, usually as a part of the trend forecasting process and the promotion of seasonal trends. Such practice can be seen to have contributed most strongly to excessive fashion consumption today (Cassidy 2013, 112-113). Planned obsolescence in the fashion context was traditionally a seasonal practice, however today the shop floor is often replenished with new merchandise reflecting changes in promoted trends every six to eight weeks. Luxury products, due to higher quality materials and style, can be assumed to have a longer product lifecycle and repeat sales are therefore less frequent, where the emphasis is on design content and originality rather than on marketed trends. The company is recompensed through the high ticket price.

Cassidy (2013, 118), from a sustainability stance, suggests changes to the existing colour forecasting system for mainstream fashion and in doing so, makes a strong argument for the adoption of style rivalry that had once prevailed in the haute couture sector and high-end sector of the fashion market as mentioned earlier in the paper. In essence style rivalry creates competition through quality of style and quality of materials as opposed to price rivalry, where companies enter into price wars and use the price element of the marketing mix as a strategic weapon to win sales. The problem with price rivalry is that to make a profit large quantities of low quality products must be sold, where not only is excessive consumption encouraged but also the durability of the products is so low that garments are unfit to enter into the second-hand market. Products then become a waste management problem from a sustainability perspective. Style rivalry and exclusivity, as already highlighted are key ingredients of luxury goods. Style rivalry also provides opportunities for industry to offer more choice to consumers assisting the large majority of the population who favour their own individual sense of style over “manufactured” trends, which are heavily promoted by the media (120). The idea of increasing style rivalry in mainstream fashion would inevitably challenge luxury sector retailers to even further differentiate themselves through innovation reinforcing exclusivity.

The lessening of importance of the luxury market as a leader of fashion direction is essentially two-fold, as in addition to the celebrity “value-luxe” trend, designer brands have also lost their importance in the fashion adoption process as trickle up activities have largely superseded the traditional trickle down process. The trickle down adoption theory is taken from the traditional trend-setting model where the haute couture sector once played a very important role in the development of mainstream fashion trends through the sale of their toiles; thus disseminating their style ideas to the high street (Frings 1999, 61). Today the reverse of this model is more common with ideas and inspirations developing from observing people on the street particularly sub-culture fashions (62). In addition to this, inspirations are also being taken more indirectly from the catwalk through observing who is wearing high-end fashion and how they are wearing it, as well as directly from the catwalk as the lower-end brands can purchase copies immediately after the show. The fast fashion sector, with the help of advances in communications technology, are directly copying celebrities’ outfits and reproducing them fast enough to offer them on the high street within a matter of weeks of the media promotions (Cassidy and Bennett 2012, 240).

The popularity of vintage has been linked to changing attitudes and values of consumers coupled with its promotion through fashion trends and also connections to sustainability (Cassidy and Bennett 2012, 241). Through the consistent growth of vintage and retro trends second-hand is the new “new”. While the growing acceptance of purchasing, owning and using second-hand products continues it is easy to see that the first-cycle retail sector could suffer in terms of revenue as the second-cycle sector gains ground. The taste for second-hand is also supported by the growth of the internet as an alternative way to shop. This in itself presents a further challenge for high-end luxury brands as the on-line auction culture grows giving consumers’ ready access to cheaper designer goods, albeit second-hand, through sites such as eBay. However, as we shall see later, this may present the luxury sector with a new opportunity to serve the market in a new way.

**Sustainability and the concept of luxury**

According to Gordon, Carrigan, and Hastings (2011, 143), sustainability is defined by the Organisation for Economic Co-operation and Development (OECD, 2002) as “*the consumption of goods and services that meet basic* [consumer] *needs and quality of life without jeopardizing the needs of future generations”,* which is the opposite of luxury philosophy. Joy et al. (2012, 290) beckon the need for sustainable fashion product to not only meet consumer desire but also to be affordable. They refer to Van Nes and Cramer’s 2005 study where they found from their survey that consumers require “*durability, quality and style”* from “eco-fashion” which parallels some of the requirements of luxury products.

Nicola Jenkin, a senior consultant at Best Foot Forward, contributed to a discussion on the sustainability of fashion and the feasibility of this as a concept (Ethical Fashion Forum 2012). We have already seen that the past and current operation of the fashion industry is one of being severely unsustainable. Jenkin considered fashion sustainability from an environmental and social perspective. She defines the elements of sustainability as being: "*capacity to endure, reduce impact on the planet, basic quality of life, stewardship, long-lived eco-systems, ethical consumption and innovations to reduce consumption"*. Whereas luxury she defines as being: "*long lasting, superior quality, exclusivity, heritage, craftsmanship, authenticity, provenance, purity and innovative"*. The similarities on the surface are easy to realize, however, Jenkin declares that it is the actions of the middle-class to excessively consume products to demonstrate wealth and status that is the real problem. She goes on to quote Charles Leadbeater's argument that authenticity will prevail and that brands will respond with more ethical practice. There are aspects of sustainability in product that consumers cannot address, including the environmental impact on the production of raw materials, dyeing and finishing materials and techniques, water consumption and pollution, transportation, etc, that only industry can deal with. Consumers on the other hand do have some control over their consumption habits and how they chose to recycle or otherwise dispose of their no-longer-wanted products. It is on this note that we explore the online auction culture.

**The Auction Culture**

In Daniel Nissanoff's (2006) inspiring book, *Future shop: How the new auction culture will revolutionise the way we buy, sell, and get the things we really want,* he discusses ways in which the newly developing on-line auction culture could benefit societies and economies declaring that not just owning second-hand products will be the norm, but also the sale of second-hand goods will grow both from a business perspective and on a consumer-to-consumer basis (7). Throughout this book Nissanoff describes his vision for the many different applications that this culture can present and how individuals and businesses can benefit. Although he does not refer to any existing theories, the underlying philosophy does draw upon particular fashion and marketing theories, namely the fashion cycle (or product lifecycle), product adoption stages and diffusion of innovation. The fashion cycle measures consumer acceptance in relation to sales volume over time. A product is introduced, as acceptance increases sales rise until they peak and then decline until the product is totally rejected (Blythe 2012, 123-4). Product adoption is said to occur in stages beginning with an awareness of the product, followed by consumer interest, an evaluation of the product in relation to needs and desires, trial and finally adoption (Rath, Petrizzi, and Gill 2012, 253). However, consumers interact with products at different times in relation to their interest which is referred to as the diffusion of innovation. As a product is launched into the marketplace those that will engage with the product (purchase and use) are known as innovators. Early adopters will engage with the product shortly afterwards and as the early majority engage sales rise and product is more visible on the high street, the late majority will engage when the product sales are peaking, and as the demand for the product declines, often with price discounts as incentives to clear stock, the laggards will purchase (Brassington and Pettitt 2003, 323). From a fashion product perspective, innovators are more generally referred to as fashion leaders (those who dare to be different, individualistic), followed by fashion innovators (often those who create their own style or very discerning shoppers), they are followed by motivators or role models (often celebrities) (Frings 1999, 60), the majority are referred to as fashion followers (61).

**Nissanoff's value-to-utility lifecycle**

Because individuals respond to different product types at different stages of the cycle Nissanoff's (2006) ideals are feasible as his concept, value-to-utility lifecycle, hinges upon consumers putting their goods into the second-hand marketplace to free up cash to spend on new products of high quality and high value. With the, previously discussed, growing second-hand marketplace and auction sites readily available and in use by many, it only remains, according to Nissanoff, for a few further mechanisms to be put into place. Maximising the value-to-utility lifecycle will enable individuals to purchase higher ticket items from the revenue of no longer wanted high quality items sold as second-hand, enabling us to "*live better* [and] *cheaper"* (10). In 2004 Nissanoff established Portero, a company that facilitates the supply and sales of luxury goods to the second-hand market, including designer clothing and accessories. This service is provided for those who are either not interested in selling though on-line auctions themselves, or for those who do not have the time to do so. As facilitators they understand the marketplace, are able to write appropriate descriptions to market each item and are knowledgeable about the marketplace in order to realise optimum sale prices for their clients. Part of this service includes appraising and authenticating the goods prior to selling, in a similar way to traditional auctioneers. In America this type of business is currently developing, the facilitators are known as "*dropshops*" (10). As an alternative to throwing away unwanted goods, more consumers are willing to sell their surplus "*stuff*" providing them with more money to spend on new things and the space in which to store their newly acquired goods. Because manufacturing and retail companies are essentially speeding up the product innovation cycle (18), using the trend system and planned obsolescence strategies previously mentioned, new versions of the same product appear on the market very quickly. The electronics industry uses this method to generate sales just as much as the clothing industry does. It is the innovators that will purchase the up-to-the-minute version of a product at premium prices and if they are able to sell their barely-used older versions all-the better. Nissanoff believes that as this value-to-utility cycle is more widely adopted there will essentially be more innovators as they will better afford the premium prices aided by the sale of their cast-offs. Still there will be those who are innovators in certain market sectors, rather than being innovators in all market sectors. Therefore individuals will purchase up-to-the-minute new products from companies for certain products of interest to them but will engage in purchasing second-hand for other goods that they have less personal interest in. Of course, for products to enter into the second-hand market time and time again, the quality and durability of the product needs to be high, which is ultimately the responsibility of the brands and their suppliers / manufacturers. This provides an opportunity for specialist restorers and cleaners to maintain luxury product to serve in the marketplace, which could equally be a separate division of a luxury brand. Also authentic goods with provenance will be more highly sought after, just as in the antiques market.

Nissanoff (2006) foresees the luxury market playing a large part in this value-to-utility business model and an opportunity for this sector to control counterfeits due to a rigorous authentication system as a part of the company's brand management;

authenticity being a “*crucial enforcer of brand value”* (186). Also, as more consumers will be able to afford the higher ticket prices of genuine goods the need for purchasing fakes would no longer be a viable option (150). Nissanoff’s value-to-utility concept will open many opportunities for new market entrants and according to Marketline (2012, 16) the luxury market is favourable for such entrants due to the relatively low set up costs for independent designer-retailers. Coupled with the abundance of talented graduates from fashion related degree programmes and their skills and interest in using the internet, they need not set up bricks and mortar retail outlets further reducing set up costs. On-line retailing has the added benefit of allowing small retailers to reach the global marketplace (18), though it must also be pointed out, currently apparel is still a relatively high risk product for on-line purchasing (Yurchisin and Johnson 2010, 38), mostly due to problems consumers experience with garment fit.

As noted by Husic and Cicic (2009, 235), the challenge to all brands is to realise the ideal business scenario to sell at high prices capitalising on the exclusivity philosophy of luxury but *en masse*. Nissanoff’s value-to-utility concept may enable this to happen and may present luxury brands with the opportunity to re-establish their position. In order to achieve this a tiered luxury business model would appear logical as different price points for the different target markets would enable a larger captive audience to exist, but not at the expense of exclusivity as each level would have its own selective market which would be heritage and reputation related. Consumers aspiring to be a part of higher levels of luxury can be served through the second-hand market for those particular items as understood through Nissanoff’s concept.

**Proposed sustainable luxury fashion business strategy**

We can first of all conclude that a high-end luxury fashion provider itself needs to be a designer who, or brand that imparts leadership, has a substantial reputation and (preferably) heritage, innovatively aiding a high quality lifestyle and in tune with modern society through a sound understanding of the cultural mood which is ethical and environmentally aware. The extent of reputation and heritage in particular could be seen as the critical difference between credible “upper-high-end” and other levels of “high-end” operative that over time adds to the provenance of the product when entering the second-hand market.

The products offered by the luxury provider must incorporate superior design qualities made from superior materials. Upper-high-end should ideally use high-level craftsmanship. Higher price brackets afforded by the few should be used to set upper-high-end products from other levels of luxury. Innovative marketing strategies and multi-channel distribution methods should also be used to separate the different levels of luxury and service should always be of an exemplary standard regardless of the marketing channel used. Upper-high-end providers should have at least one flagship store where all of the above can be delivered as an entire package. Essentially luxury should always be reinventing itself in order to maintain its exclusivity through innovative marketing efforts.

The business model should incorporate an authentication system as a critical part of its brand management strategy. Products must always be of sufficient quality to enable several entries into the second-hand marketplace. Brands with a strategy for providing loyal consumers with their own branded second-hand market route will be able to operate within more than one segment of the luxury marketplace and to take control of pricing strategies. Ultimately, to be completely sustainable, the luxury market needs to have clear differing levels of luxury and to support the second-cycle of their products. Figure 1 shows the quality characteristics of a high luxury brand for first cycle product. Each bar on the model for each category would vary in height depending on the actual quality each operative has achieved.

[Figure 1: Quality characteristics of luxury]

Figure 2 shows the level of presence a luxury operative has in the marketplace measured by the number of physical stores in a region or globally in relation to their brand awareness and reputation. Companies with few outlets but very high reputation can be considered to be upper-end luxury and have less need to advertise thus reinforcing their point of exclusivity. The height of each triangle will depend on the measurement of each aspect.

[Figure 2: Presence and Fame for luxury]

Figure 3 shows the demand over time for different market sectors including lower-end and upper-end luxury which would make use of Nissanoff's concept as well as the established second-hand, vintage and antique channels to assist in the sustainability process of luxury fashion goods.

[Figure 3: Product demand over time for luxury and non-luxury]

## Conclusion

This paper has put luxury into the fashion context defining the elements strongly associated with luxury brand creation and recognition with reference to the development of the luxury concept before highlighting aspects that could further threaten the existence of luxury in the context of sustainability. The paper continues with a discussion of style rivalry and how the luxury sector is changing as a consequence of contemporary business practice and discusses the devaluing of product in relation to quality. The online auction culture is then discussed and its potential as a new channel for the luxury market to grow and prosper is highlighted as the reader is introduced to Daniel Nissanoff's concept of value-to-utility lifecycle. The paper brings together all of the discourse into a series of conceptual business models, the first showing how aspiring companies could measure each element associated with high-end product and service on their upward trajectory. The second model would enable such companies to measure their presence, fame and marketing strategy planning relevant to where they are currently in the marketplace and the final model demonstrates the increase in quality required for multiple purchase cycles. The models are intended to be conceptual but useful for companies considering their current position and aspired position in a more sustainable luxury context.

## Future Research

Through the article different sets of consumers are intimated in relation to the purpose of the research study, namely consumers of luxury, consumers of second-hand, auction consumers and consumers of products regarded as being sustainable. The author would like to express a note of gratitude to the reviewer who highlighted a possible need for considering the relationships between these consumer sets. After an initial literature review of such consumer profiles it is evident that justice could not be done to the subject matter in this article but has instigated the beginning of a new investigation into the above consumer profiles in order to explore relationships and their relevance for a much deeper understanding of high-product-quality niche sectors.

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