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## THE GREENING OF MEN'S WEAR

"I am two with nature," Woody Allen may have once quipped, but men's wear marketers are increasingly taking the opposite view.

A growing number of apparel makers and retailers are adding eco-friendly fashion to their product lineups, and also taking bold steps to implement business practices that alleviate harmful consequences to the environment. No longer just the province of niche labels like Loomstate or Linda Loudermilk, "green" chic has been adopted by mainstream brands like Nike, Perry Ellis, Levi's and Columbia Sportswear, which are catering to an ever-widening market of eco-conscious consumers.

"We see the 'green' trend as one of the most important and lasting global fashion trends to come around in years," said Paul Rosengard, president of premium brands at Perry Ellis International. The company is incorporating new eco-friendly fibers like organic cotton, bamboo, soy, Sorona (corn) and Cocona (coconuts) into its dress shirts, underwear, sport shirts and trousers.

Danny Seo, author of the Simply Green lifestyle book series and a leading authority on eco-style, sees a wholesale shift occurring on the cultural landscape. "Green is no longer a trend," he noted. "A trend is an Ugg boot. But we've seen green reach a tipping point in automobiles, home products, food and personal care. Fashion is the last to tip, because it's one of the most complicated."

**The increased consumer awareness and receptivity to eco-fashion are reflected in NPD Group research. In a 2001 survey, 6% of respondents said they were interested in purchasing apparel, footwear and accessories that are ecologically friendly. Last year that figure had risen threefold to 18%.**

"The vast majority still don't care, but it's pretty striking that the number of people interested in environmentally sound clothes grew 300% over the past five years," noted Marshal Cohen, chief industry analyst at NPD Group.

If that survey research doesn't convince skeptics that eco-chic is on the rise, they can check out a can't-miss indicator of the zeitgeist: message T-shirts. Hip companies like Gilded Age are printing environmental themes on these walking billboards, like one that depicts stumps of clear-cut trees, with the slogan "Unnatural History."

"I'm not a zealot, but I like to think that Gilded Age is an intelligent brand, and these are the issues that intelligent people are concerned about today," said company founder Stefan Miljanic.

That burgeoning interest in eco-chic products isn't just idle talk. Global retail sales of organic cotton products rose from \$245 million in 2001 to \$1.07 billion in 2006, according to estimates by Organic Exchange, a leading environmental advocacy group. By next year that number is expected to more than double to \$2.62 billion, with apparel

comprising 85% of those sales, and the remainder coming from home and personal-care products.

Clearly, the organic cotton trend has caught on in a big way, especially among smaller premium labels, but now bigger companies have gotten into the act.

Nike, one of the world's largest users of organic cotton, has set the goal of using at least 5% organic cotton in all of its cotton products by 2010. Last year 52% of its cotton products contained the 5% organic threshold.

The new Levi's Eco line of denim hit stores this past holiday and is selling strongly, according to the company. Mavi also debuted new organic jeans in two men's fits and three washes this past holiday, and is considering expanding into knits, wovens and twills. The line was first sold only at Mavi stores, but is now wholesaled to about 25 specialty boutiques.

Le Tigre is incorporating its first organic polos and T-shirts into its fall '08 lineup, while budget T-shirt maker Anvil began distributing blank organic T's in 10 different colors to wholesalers last month. The company has secured enough certified organic cotton to produce over one million units, and has been able to leverage its size and volume to sell the T's for an average price of about \$3.50.

"We've been watching the organic trend like everyone has and we realized that it's not a fad. It's here to stay," said Anthony Corsano, CEO of Anvil Holdings Inc.

Also getting into the blank T-shirt business is Edun, the socially conscious fashion company founded by rock legend Bono, his wife, Ali Hewson, and denim guru Rogan Gregory. The Ireland-based firm recently launched Edun Live, a sub-label that markets blank organic T-shirts made in Uganda. "Blank T's have long been a commodity, but we see a shift in the industry," said Christian Kemp-Griffin, CEO of Edun. "People are interested in how they're made and what they're made from."

Still, for companies aiming to join the organic bandwagon, there are some hurdles. The demand for organic cotton currently outstrips supply, as less than 1% of the world's cotton is currently considered organically grown-but that number is rising. Organic Exchange believes that up to 10% of all cotton will be organic within the next decade.

Noted Tim Kaeding, creative director at 7 For All Mankind, which showed its first organic jeans to retailers last summer: "We are our suppliers' number-one customer, so when we request more organic denim, they tend to listen. Some of the mills that we use are going all-organic."

Even with that growth, however, the cost of organic cotton will remain higher than that of conventional cotton, and prices for organic garments can be prohibitively expensive for some apparel marketers and consumers. Levi's Eco jeans are priced at \$68, for example, compared with about \$40 for classic a pair of 501's, and Mavi Organic product is priced 25 to 30% higher than its core line.

"The higher prices of organic garments can definitely turn people off," noted Ty Bowers, cofounder of Vessel, a new premium men's label with a subcollection named Vessel Organica. "It's taken food companies 15 years to get to the point where people are willing to pay for organic. So it will take some time for people to understand the organic fashion thing."

Those kind of issues aren't stopping Perry Ellis from introducing a new line of dress shirts-comprised of 52% organic cotton and 48% Sorona, a DuPont fiber derived from

corn-under a Portfolio Naturals label this May.

"I don't think we've seen an opportunity like this in dress shirts since easy-care and wrinkle-free," said Rosengard. "Just as some men converted 100% of their wardrobe to easy-care, some men will want to convert all their dress shirts to Naturals."

The shirts will be sold with hangtags and button flashers made from 80% post-consumer recycled paper-sourced from labeling companies like Paxar, which have made big strides in this area-but the line isn't just eco-friendly. The Sorona fibers give the shirts natural stretch and recovery, stain resistance, UV resistance and an appealing hand, according to Rosengard.

These benefits, to both the wearer and the planet, don't come cheap. Given an MSRP of \$59.50, Perry Ellis shoppers may be in for some sticker shock, but Rosengard expects some consumers to be willing to shell out the extra dough.

Rival shirt marketer Phillips-Van Heusen will make its first foray into green fashion with the introduction of organic cotton into some Geoffrey Beene styles, and possibly JOE Joseph Abboud, raising prices 5 to 10%.

But Al Moretti, president of the dress shirt group, remains cautious about the experiment and noted that the organic cotton will comprise a small fraction of its total offering. "We don't know what kind of demand there is," he explained. "It remains to be seen whether the consumer will pay for it."

Moretti added that it's not always easy being green. Attempts to reduce packaging materials didn't always work out, for example. "We tried to use less cardboard and replaced metal pins with plastic clips, but the shirts didn't ship well," he said.

Beyond offering new products made from green materials, many fashion companies are implementing environmental, social and corporate governance (ESG) policies that help alleviate negative ecological impacts.

Liz Claiborne Inc., for example, has established a formal corporate environmental policy that outlines many guidelines for company-wide practices. "We constantly endeavor to balance environmental considerations and social responsibility with our business goals," notes the written policy. "Over the long run, only a sustainable approach will benefit the consumers, customers, shareholders, associates and communities we serve."

To that end, the company has implemented a number of green initiatives, including the purchase of wind power for its warehouse and distribution center in North Bergen, N.J. The complex houses 2,000 employees and ships 20 million units a year, and is powered with wind energy credits. (While all wind power is flowed into the general energy grid of any geographic area-and cannot be directed into a specific home or business-the purchase of Renewable Energy Certificates increases the future demand for wind power and spurs its growth.)

"We are not yet a green company, but we are a sensitive one," noted Roberta Karp, senior vice-president for corporate affairs and general counsel at Liz Claiborne.

At Prana, a yoga and outdoors brand now owned by Liz Claiborne, company founder Beaver Theodosakis has taken the idea of green energy a step further. Through its Prana Natural Power Initiative the firm is buying enough EPA-certified Renewable Energy Certificates to power the stores of 400 of its retail partners in the U.S., Canada and Europe this year. The initiative is expected to prevent the emission of over 22,000 metric tons of greenhouse gases-the equivalent of removing 4,787 cars from the road

or protecting 28.9 square miles of forest.

Prana talks up the program on its own Web site and gives its retail partners a decal for their windows noting that 100% of the energy used in the store is offset by wind-generated power. "The dealers love us, it builds up long-term loyalty from our customers, it's authentic to the brand and it speaks to the core values of our consumers," explained Theodosakis of the program.

It's for those reasons that outdoors and action sports brands have been among the fastest-moving companies to galvanize the green movement.

"Our business is predicated on our global environment remaining green and lush and full of snow and water," said Steve Rendle, president of VF Corp.'s The North Face. "About nine months ago we decided to make this a top-of-mind issue here, and since then we have been evaluating all our business practices."

That process has meant finding quantitative measurements of its ecological impact across the board—including energy consumption, supply chain operations and packaging usage—and finding strategies to reduce harm to the environment. The company has hired a full-time employee with the title of director of corporate sustainability and strategic marketing, and has another employee working on an MBA in sustainability.

Aside from using innovative materials—like old tires, bamboo and chrome-free leather—in its apparel and footwear products, The North Face has committed to The Conservation Fund's Go Zero program to eliminate its annual carbon footprint. After estimating the annual carbon output from its total operations, The North Face pays for the planting of enough trees to offset those emissions. (According to most scientists, carbon emissions are causing global warming.)

Both Nike and Timberland are committed to reducing their carbon dioxide output, the former having reduced it by 18% in 2005. Timberland is introducing a Green Index this spring, a measure of the environmental impact of its products, starting with its Greenscapes footwear series. The Green Index will measure and report on environmental impact in three areas: greenhouse gas emissions through production, presence of hazardous substances, and the reduction of resource consumption through use of recycled, organic and renewable materials. Timberland's goal is to become carbon neutral by 2010.

Like outdoors brands, action-sports companies like Quiksilver and Volcom have stepped up their efforts in recent years, and are using their sales volume and influence to encourage others in the industry to follow. Erik Joule, senior vice-president of merchandising and design at Huntington Beach, Calif.-based Quiksilver, said the company has significantly upped its ecological ante in the last two years. This despite his belief that many young consumers have felt disconnected with the environment, as newer generations grow up in front of computer screens instead of on playgrounds.

"The youth has been a little lackadaisical in getting on board, but now the environment is part of pop culture," explained Joule.

Still, most companies maintain that green appeal alone is not enough to drive sales—performance and style remain paramount with young consumers. Volcom, based in Costa Mesa, Calif., launched its V.Co-Logical Series last spring as a line of 100% organic T-shirts, and has since added fleece, wovens, knits, denim and snowboarding jackets. Volcom also donates 1% of V.Co-Logical's sales to environmental causes. Still, what makes the collection so desirable is its "progressive Volcom styling," according to COO Jason Steris.

Quiksilver is experimenting with recycled man-made fiber for its core boardshorts, but isn't 100% there yet, said Joule. Although vegetable dyes don't yield the same results as chemical dyes, Joule points to organic cotton as a success story. "A few years ago it felt grainy, but now it feels great. Things that were unfathomable 10 years ago have become second nature, so it's just a matter of time."

And despite friendly competition, action-sports companies are working together to move the market. Organizations such as the Action Sports Environmental Coalition have attracted a wide range of companies willing to collaborate on eco-friendly initiatives.

Sole Technology Inc., which owns action-sports brands like Etnies and ThirtyTwo, emphasizes environmental initiatives that go beyond its merchandise. In addition to organic offerings, from water-based glues in 80% of its footwear to the sustainable Seed Project apparel collection, the company recently hired Roian Atwood to fill the newly created position of manager of environmental affairs. Atwood is currently assessing Sole Technology's environmental footprint—from its electricity use to its garbage disposal—to figure out how to initiate eco-friendly programs.

Already, Sole Technology has 616 solar panels overhead at its Lake Forest, Calif., headquarters, which produce 275 kilowatt-hours of electricity and eliminate 97 tons of carbon dioxide emissions annually. Atwood hopes to one-up the headquarters at Sole Technology's distribution center by using a combination of solar panels, small-scale wind turbines and a vegetative roof. "The entire rooftop would be offsetting the other operations by generating renewable energy," he explained. "This roof would become a beacon for sustainability."

Outside of the action-sports industry, the ecological imperative hasn't been quite as widespread among youth marketers. There are pockets of offerings from streetwear companies like Triko or casualwear favorites such as B.U.M. Equipment, the market has yet to find an industry leader on green initiatives.

Hip-hop icon Russell Simmons has dipped his toes into the arena with his new Atman line, a contemporary collection of spiritual-themed apparel made entirely from organic cottons. But Atman, which includes cashmere blends and natural selvedge denim, is intended for a more mature customer than the rest of Simmons' Phat Farm lines.

A focus on environmental marketing has been the emphasis at Kenneth Cole and Gant. Cole's recent billboards allude to global warming—hardly a surprise given the designer's longtime habit of marrying his brand to progressive convictions—while Gant's aim to marry the preppie label's outdoorsy lifestyle with nature causes.

Robert F. Kennedy Jr. served as Gant's spokesman last year, in a campaign that benefited the Waterkeeper Alliance. This spring the Sweden-based company partnered with Jean-Michel Cousteau and his Ocean Futures Society, which raises awareness of the problems facing marine environments. Both campaigns were presented under Gant's "Our commitments reflect our passions" banner and featured a capsule collection of product tied to each nonprofit organization.

While the initiatives are clearly aimed at burnishing the brand, Gant USA chief executive Ari Hoffman doesn't see anything cynical about pushing the commercial concerns of a fashion business by raising environmental awareness.

"Anyone can give away money to a nonprofit. But if you took 25% of the entire world's advertising budget and dedicated it to environmentally themed campaigns, imagine what could happen—you could re-educate the world," he said. "We're not doing this because it's fashionable. It's part of the lifestyle of the Gant customer. And I also think

it's good business."

High-end luxury brands have largely abstained from offering organic fashion product to date, even though it has been affluent consumers driving the burgeoning demand for organic food products. Designer brands-which may have a hard time squaring the environmental ideal of conservation with an image of conspicuous consumption and glamour-are focusing their efforts on ESG practices, rather than on product.

LVMH Mot Hennessy Louis Vuitton, for one, has made behind-the-scenes environmental initiatives a primary concern. The company publishes an in-depth report each year on its company-wide efforts to reduce energy use, the consumption of raw materials, and the production of waste and harmful emissions-all without impacting the allure of its offerings.

In 2005, the most recent year available, LVMH reduced the use of heavy packaging materials at its Louis Vuitton brand by 8%; increased the amount of recycled plastic at a Parfums Givenchy plant by 165%; reduced energy consumption company-wide by 6% via small initiatives like installing motion detectors at a Christian Dior site; and cut total greenhouse gas emissions by 6%, primarily by increasing the amount of product transported by ship rather than airplane. (Ships emit 85% less greenhouse gases than planes.)

One high-end organic luxury brand in stores now is Bamford & Sons, a sophisticated English label that offers 100% organic cotton chinos, jeans, muslin shirts and raw-edge T-shirts. Carried by Bergdorf Goodman Men in New York, the collection also includes wallets, belts, bags and sandals fashioned from leather tanned without harsh chemicals, only vegetable dyes. The line will grow for spring '08 to encompass dress and sport shirts, casual and dress trousers, sport coats, outerwear and organic cashmere.

As more and more companies make an effort to align their brands with a eco-consciousness, some observers are wary of a consumer backlash, as the green label begins to mean less and less in an inundated marketplace.

"I think some people are jumping on the bandwagon without really thinking about it," said Jeff Shafer, founder of Agave Denimsmith, who is planning the launch of an organic sub-label called Sustenance by Jake Agave. "Just because something is made from an organic fiber doesn't mean it's great for the environment. You have to think about the entire process, from dyes, to washing, to packaging and printing. It's not that easy to do."

Still, Shafer-who moved his family from L.A. to Portland, Ore., last August to be in a healthier, ecologically sounder environment-understands that as long as the overall industry and consumers evolve toward more responsible practices, the benefits will be far-reaching. "Sure, some of this will be motivated by marketing and commerce, but it doesn't matter," he said. "This is a trend based on global necessity."

For companies that have not yet made environmental issues a key corporate priority, the consequences could be meaningful as well. According to Innovest Strategic Value Advisors-an international consultancy that researches environmental, social and corporate governance issues on behalf of institutional investors-laggards in these areas could very well underperform their peers financially. The reasoning? A company's ability to handle political, environmental, labor, and human-rights risks is a powerful proxy and leading indicator for its overall management quality.

Currently, Innovest singles out Bulgari, Esprit and Coach in the fashion sector as companies that "do not effectively integrate sustainability into company business

platforms and disclose little information regarding environmental and social performance," according to Alana Libow, a research analyst at Innovest. Bulgari and Esprit, for instance, have not made an effort to develop eco-product development, "which limits the companies' long-term competitive outlooks," said Libow.

Coach, for its part, does not maintain key environmental-performance indicators, as its best-in-class peers do. "As competitors are increasing management strategies surrounding supply chain and environmental management, poor integration of such strategies into a business framework demonstrates management priorities are not set to compete with average industry standards," noted Libow.

In other words, when it comes to fashion, being green can help a company stay in the black.

SOURCE: DNR, 4/2/07

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1500 Harbor Blvd., 2nd Floor . Weehawken, NJ 07086  
Tel 866.412.0866 . Fax 201.348.1761