

CONSCIOUS CLOSET

“Providing consumers with the right information to make the right choices”

INTRODUCTION

The Clothing (apparel) Industry is multibillion-dollar global enterprise devoted to the business of making and selling clothes. This industry encompasses the design, manufacturing, distribution, marketing, retailing, advertising, and promotion of all types of apparel (men’s, women’s, and children’s) from the most rarefied and expensive haute couture (literally, “high sewing”) and designer fashions to ordinary everyday clothing—from couture ball gowns to Juicy Couture-brand sweatpants¹.

PROBLEM IDENTIFIED

However, we the problem we have discovered is that *price driven consumers* (particularly in the apparel industry) lack the information necessary to make informed purchasing decisions founded in principles of ethics and sustainability.

As companies have come under the spotlight as wasteful, unethical and environmentally damaging, all players in the supply chain, from designers to retailers, have ramped up sustainability initiatives to tap into the budding ethical consumer market. In a testament to the direction for the fashion industry. According to the Copenhagen Fashion Summit, the fashion industry is one of the most damaging sectors in the world, with an estimated 87% of all clothing, accessories and associated items disposed of in landfills or incinerated annually, and fast-fashion trends often draw criticism from environmental groups².

According to research conducted by the French Institute of Fashion and other industry players, no less than 90% of fashion consumers feel that there is a lack of information on the environmental and humanitarian cost of the products they purchase. Also, French fashion consumers said they question health risks (40% of survey group), social issues (37%), and environmental issues (23%), and 20% of French consumers bought a responsible fashion product in 2018³.

Why it Matters

- The service based economy no longer reflects the true cost of our goods
- Corporations are more concerned with profit than impact
- Lack of transparency causes confusion

¹ John S. Major & Valerie Steele, “Fashion Industry”, *Encyclopaedia Britannica*, 2019.

² Cristina Dumitru, Gaetana Mak & Alex Green, “Thoughtful Threads: Ethical Consumerism and Fashion”, *IBIS World*, 2018.

³ Matthieu Guinebault, “Clear Fashion App takes off on Mobile”, *Fashion Network*, 2019.

Since more and more global consumers are willing to pay a premium for sustainable brands, this trend is only likely to intensify. Consequently, firms are gradually taking this into consideration. For instance, H&M in 2013 launched its fair living wage strategy to ensure all 930,000+ garment workers across its supply chain receive a wage sufficient to support a household during legal working hour limits, and Primark in the same year launched its own sustainability initiative to encourage the use of independent cotton farmers in India and Pakistan, helping to promote local economic development⁴.

The Central Question

How do we convince consumers to take more than price into consideration while encouraging businesses to recognize that impact and profitability are not mutually exclusive?

OUR SOLUTION/PRODUCT

Therefore, we have decided on a solution that works for all parties. That is, An application that is easy to use for consumers in the clothing industry to better understand where their purchases are coming from, what exactly they contain, and how they were produced.

TARGET MARKET & LOCATION

Though a global brand, we will be based in Paris. Our target market is the urban population from ages 16 - 35 who are not only conscious about environmental impact of clothing industry, but eager to see an improvement in its consumption process. This involves a high usage and patronization of our solution, *conscious closet*.

EXISTING COMPETITION

Our close competitors are *Clear Fashion* and *NGOs*. With *Clear Fashion*, users are able to choose products without suspicious additives, managed to change purchasing behavior and make manufacturers and distributors bend over. Users consult the file of a brand, after entering his name. Then appears on the screen his note on the four items observed by *Clear Fashion* and an infographic. Each is marked with a traffic light.⁵

Apart from *Clear Fashion*, *NGOs* have also attempted to resolve this issue by publishing articles such as “Sustainable fashion and Fast fashion” to raise awareness to all stakeholders in the industry.

However, we believe consumers especially need something better since complexity and mere information will not help them in anyway.

⁴ *ibid*

⁵ Juliette Garnier, “The *Clear Fashion* app dreams of fashion Yuka”, *Le Monde*, 2019 .

HOW DO WE STAND OUT?

Unlike Clear Fashion, our App (product) assesses product quality and longevity (allowed through community sourcing), takes into consideration more factors which will be run by partnering up with big databases. Most importantly, allows for comparison through recommendations. Comparing to NGOs, our App is much more intuitive and gives immediate information on specific products and brands instead of just providing information on companies in general (which will be provided as well by us). The App provides an interactive platform for the consumer/user.

Therefore, at *Conscious Closet*, our central focus is the consumer. We seeks to provide its users with simplicity, details, and the right information, to help them make the right choices.

BUSINESS MODEL/DEVELOPMENT & SOURCES OF FUNDING

Non-for-Profit Model

Conscious Closet will function under the nonprofit model, and will therefore rely heavily on investment and grant funding.

Sources of Funding

1. Foundation Partnerships

As we seek to move forward with Conscious Closet application development, we will rely on donors. We are particularly interested in partnering with organizations such as Fashion Revolution (who are already raising questions around fast fashion and elevating the conversation around ethical consumption) as well as fashion “giants” seeking not only to refresh their public image and sustainability campaign strategy, but to truly make an impact on building a more sustainable future.

Based in Paris, we have the opportunity of being surrounded by many influential brands and leaders in the fashion industry. Conscious Closet welcomes partnerships with brands who also actively participate in leaving a positive social impact and will seek out funding and and potential long term partnership with foundations, with top targets being:

- Fondation Chanel
- Kering Foundation
- Ashoka Foundation

2. Accelerator Programs

As Conscious Closet is a start-up nonprofit, we have identified opportunities for growth and funding in the form of accelerators specifically designed to tackle the problems in the fashion industry and push the sustainability initiative forward:

- Fashion for Good-Plug and Play Accelerator
- The Sustainability Lab
- The Good Fashion Fund

3. Subscription Based

Once the Conscious Closet application has been fully developed, we will focus on gaining momentum and brand building. It is our vision that eventually, we will offer specific subscription based services (i.e. a monthly newsletter, biannual report, weekly podcast) that will help to offset the cost of funding research and development and simultaneously serve to strengthen our brand community and consumer base.

4. Crowdfunding

Conscious Closet will launch a Kickstarter campaign to crowdsource start-up funds via only donations. Since we function under a nonprofit model that is by and for the community it serves, the idea to participate in crowdfunding makes sense. We truly want our community members to “buy-in” not only to our company as an innovative and exciting new player in the world of fashion, but to our mission and vision of sustainable and responsible consumerism.

5. Grants

In addition to crowd sourced funds, we will be seeking out various grant funding available for fashion nonprofits, including but not limited to:

- LS&Co. Collaboratory and grant program
- The European Regional Development Fund
- Economic and Social Research Council (ESRC)
- Il Party Parliamentary Group on Ethics and Sustainability in Fashion
- H&M
- Kering
- Asos

PRODUCT APPLICATION DEVELOPMENT

Obtaining Data/Information for App Development

As concern over the environmental impact of the fashion industry seems to become a major issue in the consumer's minds, producers and retailers have had to adapt and many have increased communication about the origins of the clothes they sell. As there is no legal requirement to accurately label the origins of the fibers used and of the work used, tracking this seems quite difficult without the collaboration of the producers. The difficulty lies in the complexity of the fashion industry's supply chains and the widely accepted practice of not disclosing crucial information. Nevertheless, several private entities have launched efforts in order to source information and make it available to the broad public.

We consider that the Connect Fashion Global Initiative will be one of our most valuable sources of information and maybe even a partner. The idea behind that initiative is to collect data from the retail companies on their products and centralise them in a database. Teaming up with that initiative would be an important first step for the Conscious Closet by using the data, treating it and presenting it in a compelling way to our user. That first step would make it possible for the *Conscious Closet* to allow the customer to scan the barcode of the fashion item from the companies included in the initiative and have a detailed composition of the fibers, of their environmental impact (are they recycled or not, is the item made from a fiber blend which makes recycling it more difficult or not) and of the origin of the item (was it made in Vietnam where worker's wages are ridiculously low, children may be employed and shipping very polluting ?)

For this last aspect, the social impact of the clothes, several other open-source databases exist. One of them is the Open Apparel Registry, a platform that identifies and maps all known clothing factories in the world and discloses which retailer they supply. This allows a better overview of the global supply chains and to estimate the environmental and social costs associated to the shipping and the physical production of the item.

In order to increase the quantity of data available through our app we consider directly partnering up with producers and retailers. As many brands seem to want to position themselves as environmentally friendly and as companies with important social values, many will probably agree to share such information. Our app would therefore become a new platform for those brands to communicate on their actions and sort of advertise the best practices in the industry. The main objective here is to reach a critical mass of users. Once that mass is reached we will be able to put pressure on companies by

advertising the fact that they refused to disclose any information and count it as a negative point in the evaluation system.

In order to be as reliable as possible we consider developing an auditing service that would regularly go verify if the information disclosed by the companies or sourced from the databases is accurate. As the number of factories, of retailers and of countries they are working in is huge such an auditing service implies huge costs. Therefore we do not know exactly how this auditing service will be put into place. We will probably rely heavily on public subsidies and on already existing auditing procedures developed by NGOs and syndicates.

Another source of information we consider potentially valuable would be community sourcing. Investigative journalists and professionals who work in the industry might provide some important information on the provenance of products as they know the industry well. Especially people working in the factories might provide information which otherwise would be very difficult to obtain. As quality or longevity of the product remains a main determinant of purchase choice, we will be crowdsourcing information from consumers who have purchased the product on how resistant it is.

In order to guarantee the reliability of the information provided a part of the auditing team will be in charge of verifying it, engaging in an exchange with the “whistleblowers” in order to obtain compelling evidence. Of course the anonymity of the person will be preserved in order to protect him or her from any possible retaliation.

Functionality of App

The main functionality of the app consists in scanning the barcode of any clothing item and getting a detailed analysis alongside an overall evaluation of the “ethical” aspect of the item. All of this happens in the **Scan tab**.

Overall classification of the product among one of 5 categories with colour-codes that helps to communicate to users, the quality of the product being purchased. This includes:

- Excellent: dark green
- Very good: light green
- Medium: yellow
- Bad: orange
- Very Bad: red

The overall classification is based on the compilation of several scores, which themselves rely on various criteria which can be fairly common to all types of clothing or specific to the item at hand.

The scores are **Quality/Longevity, Environmental impact, Social impact, Recycling, Health** and finally considerations about the **company** itself.

The scores themselves are based on various criteria which are always explained under the score. Right under the various scores there is a link leading to the personalized recommendations of clothes which scored better overall. This allows the user to see four (4) alternative pieces which resemble the initially scanned one in style but are more respectful of the environment, people, health, etc. When clicking on a recommendation you are redirected to the website of the retailer of the recommended product.

The recommendations for all previously scanned items can later be found in the **Recommendations tab** and again when clicking on the recommended product you are redirected to the website it is sold on. A **History tab** shows all the previously scanned items and their evaluation. When clicking on one of those items you are redirected to the Analysis page in the Scan tab.

Other functionalities included in the app are the **Search tab**, allowing to search for a specific product without having the barcode at hand (which can be especially useful considering the Health score when buying second-hand clothes).

There is also a **Tips tab** which provides relevant online articles linked to sustainable fashion and ethical shopping. When clicking on one of them you will be redirected to the article.

Finally there is also an **information page** which is accessible from all tabs except the scan tab and leads to information on the Conscious closet and the data used.

The scan tab and the **information page** allow users to provide complementary information, especially regarding quality of the product and the supply chain if you can provide information from the inside.

All the functionalities described above can be tested through the prototype and can be witnessed in use in the video uploaded alongside the app and this note of intent.

PROJECTED TIMELINE, IMPLEMENTATION & EXECUTION

The first and most important step will be recruiting an app developer who has the necessary technical skills to implement all the functionalities we envision for our app. At the same time an important step in order to implement the *Conscious Closet* is getting in touch with all the stakeholders mentioned above: NGOs, Retailers, Databases, renowned auditors of the fashion industry, investigative journalists, etc. The objective being to establish partnerships as soon as possible in order to have the database necessary to make the app work. As such we will also need to hire a data scientist in order to compile and organize the information gathered.

In order to finance all this process we will review all the available funding from subsidies, as mentioned earlier.

Once everything needed to launch the app is at hand the first version will be launched alongside a vast media campaign. Acquisition of users being absolutely paramount to reach a critical mass providing leverage and credibility in negotiations with the stakeholders mentioned above, the marketing campaign will be of the highest importance and necessitate a lot of funds.

After the initial launch in France and subsequent bug fixing and improvement of the functionalities we envision a launch extending functionality to the rest of Europe, then to North America as these are the regions with an extremely high consumption of so-called “fast fashion”. The final step after extending functionality to these regions through hiring, translation of the app, adapting functionalities to the specific issues linked to certain regions we envision a global launch, making the Conscious closet the leading platform denouncing malpractices in the fashion industry through direct interaction with clients in-store and during purchasing considerations.

CONCLUSION

We want the fashion industry leaders to be held accountable for their mode of operation and promote best practices at the same time, in order to make the world a better place. Consequently, we believe that *Conscious Closet* is the solution.