

SUSTAINABLY FASHIONABLE: REFORMATION

- Reformation is a fashion startup that offers sustainably manufactured on-trend apparel. The brand maintains sustainability practices in three major aspects of its fashion line: materials, manufacturing and post-sale recycling.
- We recently visited Reformation’s flagship store in Soho, New York City where the brand offers an all-channel and entertaining store experience.
- Sustainable fashion has become a global trend driven by consumers’ growing environmental conscience and diminishing desire for ownership. A number of sustainable fashion startups gained popularity in recent years, including brands from the US, the UK, Australia, Canada and the Netherlands

A RADICALLY SUSTAINABLE FASHION BRAND

Founded in 2009, Reformation is a fashion brand that uses sustainable methods and materials to design and manufacture women’s apparel. The company also carries third-party accessories and beauty products. The brand maintains sustainability practices in three major aspects of its fashion line: materials, manufacturing and post-sale recycling.

Reformation takes pride in being a fashion trendsetter. The company’s founder and CEO, Yael Aflalo, is a former model and believes the consumer is no longer brand conscious and wants to look effortless yet stylish for everyday occasions. Reformation offers on-trend collections from a \$48 off-shoulder top to a \$288 maxi dress. The design studio is upstairs from its manufacturing facilities in Los Angeles, so Reformation can adjust quickly to the latest fashion trends and manufacture its products to hit the market in three to six weeks. Reformation has a long list of celebrity customers such as Rihanna, Bella Hadid and Karlie Kloss.



THE REFORMATION STORE: A SHOWROOM FULL OF EXPERIENCES

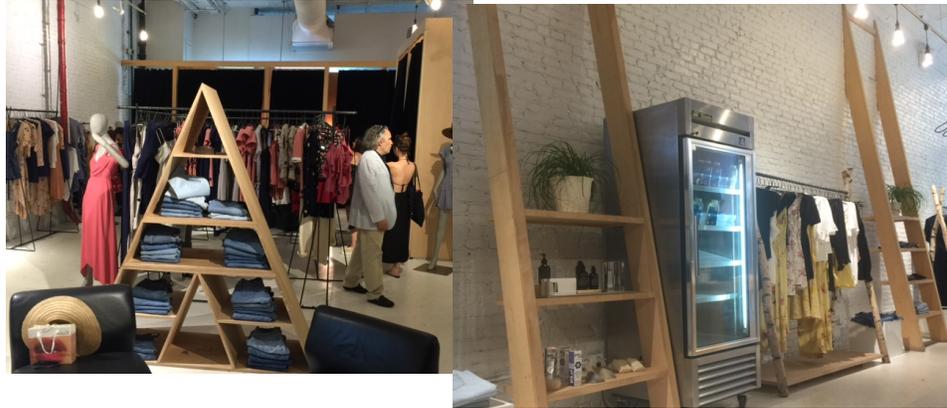
Fung Global Retail & Technology recently visited Reformation’s New York flagship store in SoHo. The company opened its first store in downtown Los Angeles in 2009 and expanded to three stores by 2016. The latest SoHo flagship location was opened in 2012, one of the two stores in New York.

The Reformation store incorporates a number of experiential retail elements such as food offerings and a selfie booth. The store has a dedicated refrigerator with health-conscious juice and smoothies for sale, which allows customers to receive a health boost

FLASH REPORT

without leaving the store. A selfie booth makes the shopping trip more fun. Customers can take a range of photos in the booth in front of Reformation’s curated background and instantly share their photos on social media. Finally, the store carries little inventory, so the sales floor looks less cluttered.

Reformation’s store is a showroom for its online business. Associates provide in-depth knowledge about product offerings on the site and are well trained in instructing customers how to place an order online. The store offers a dedicated space for resting and entertainment.



SUSTAINABILITY AS A RETAIL CONCEPT

What is Sustainability?

In the context of retail, it involves developing products and delivering services that follow environmentally, socially and economically conscious principles.

Reformation uses recycled and environmentally friendly fabrics

Reformation garments use surplus fabrics on 35% of its products and repurposed vintage clothing for about 5%. More than half of Reformation products use tencel and viscose, which require fewer resources than conventional cotton and other oil-based fabrics for the production process.

The company tracks and controls the environmental impact in the manufacturing process

Reformation’s production and weaving process follows strict environmental standards and the company uses its “RefScale” program to track the environmental cost of each product. When possible, Reformation clothes are locally manufactured in the company’s Los Angeles factory, which shortens the supply chain cycle to three to six weeks.

Reformation provides environmentally conscious service throughout the product lifecycle

The brand has a dedicated sustainability research team who create an assessment of a garment’s lifecycle, from manufacturing, to sale and finally, to recycling at the end. Reformation provides carbon-neutral shipping services and an end-of-life recycling service.

Why Does it Matter as a Retail Concept?

Global consumers are placing a higher priority on the social and environmental impact of their purchases across generations. Retailers that establish an environmentally conscious reputation are better positioned to capture their spending power. According to a 2015 Nielson study, 72% of millennials respondents surveyed said they are willing to pay extra

for sustainable offerings, up from 55% in 2014. Meanwhile, 51% of baby boomers said they are willing to pay more for sustainable products in 2015, up from 44% in 2014.

Sustainable Fashion Versus Fast Fashion

In recent years, a number of sustainable fashion companies emerged in the fast fashion-dominant industry. They provide environmentally responsible and higher quality alternatives to fast fashion brands like H&M and Zara.

This sustainable fashion trend is driven by what we see as a growing consumer preference to own less clothing. Because of shrinking closet space, they are looking for quality and stylish pieces to keep. There are other ways to get new styles every season. Instead of buying new clothes; they rent, subscribe or barter for the latest additions to their closet.

A Global Trend of Sustainable Fashion

A number of fashion startups gained popularity in recent years, including brands from the US, the UK, Australia, Canada and the Netherlands. Brands like Reformation and Zady focus on sustainable sourcing and manufacturing. Other startups like Cuyana and reKindness operate clothing recycling or barter programs to ensure the greatest utility of each garment.

Figure 1: Emerging Fashion Startups with Sustainability Concepts

Brand	Country	Founder	Year	Funding	Business Model
 Sustainable and Fair Trade Fashion	UK	Safia Minney	2000	£1M	People Tree is a UK-based brand that pioneered fair trade and environmentally sustainable fashion.
KUYICHI	Netherlands	Solidaridad (NGO)	2001	N/A	Kuyichi is a conscious fashion brand that works directly with organic cotton farmers and uses recycled cotton and polyester.
REFORMATION	USA	Yael Aflalo	2009	\$12M	Reformation is a fashion brand that designs limited-edition collections, sources sustainable fabrics and has a green supply chain.
EVERLANE	USA	Michael Preysman	2011	\$1.1M	Everlane is a luxury clothing design and manufacturing company aims to provide low-cost, high-quality goods with radical transparency.
 Sustainable comfort	Canada	Michael Gaughan	2011	N/A	Miik is a 100% Canadian-made fashionable woman's brand which uses sustainably sourced luxury fabrics.
NICOLE BRIDGER	Canada	Nicole Bridger	2011	\$1M	Nicole Bridger Design is a fashion line that uses ethically sourced material to make simple and feminine apparel.
CUYANA	USA	Karla Gallardo, Shilpa Shah	2013	\$1.7M	Cuyana is an online fashion brand that features a clothes-recycling program named Lean Closet.

ZADY	USA	Soraya Darabi, Maxine Bédât	2013	\$1.35M	Zady is a fashion and beauty e-commerce platform designed for environmentally conscious customers.
THRE / D HARVEST	Australia	JAI SHARMA, Brian Lee	2014	N/A	Thread Harvest is an online shop that searches for environmentally friendly clothing across the globe.
 reKindness	USA	Melanie Kovach	2015	Bootstrap	reKindness is an online barter community that allows users to swap clothing and accessories with other members of the community.

Source: Company websites/Fung Global Retail & Technology

Large retail brands have created sustainability initiatives to appeal to the new generation of consumers. Levi's, Kering and Patagonia have launched a sustainable manufacturing processes, while others like Eileen Fisher and J.Crew have introduced recycling and charity collaborations.

Figure 1: Sustainable Collaborations by Fashion Brands

Brand	Program	Year	Details
	"4-Fold" Approach	Mid 2000s	Patagonia uses a "4-Fold" approach to screen potential suppliers that ensures they fulfill sourcing, quality, social and environmental standards.
EILEEN FISHER	Green Eileen	2009	Green Eileen is an initiative to collect and resell gently used EF clothes to support programs for women and girls.
	H&M Conscious	2010	H&M Conscious is a sustainability program that is built on seven commitments and hundreds of Conscious Actions, including the Conscious Exclusive Collection.
	Water<Less	2011	The Water<Less process strives to minimize the water used in the finishing process of making jeans.
	Materials Innovation Lab	2014	The Kering Materials Innovation Lab highlights innovation in raw materials, fabric processes and manufacturing.
J.CREW	Garments for Good	2015	Garments for Good supports nonprofits by donating a portion of the proceeds from the Garments for Good Collection.

Source: Company websites/Fung Global Retail & Technology



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