How the conscious consumer is reshaping fashion retail

By Maroefah Smith   26 Nov 2018

The conscious consumer is fast reshaping the retail fashion and textile landscape. At the recent ATF Trade Expo at the Cape Town International Convention Centre, Herman Pillay, CEO and chairman of TCI Apparel and Wear South African, recently explained how this group of consumers - who are demanding transparency and traceability - are changing the ways retailers operate.

Herman Pillay, TCI Apparel.

In case you aren't familiar, _Medium_ defines the conscious consumer as "an agent of change who considers the social, environmental, ecological, and political impact of their buycott and boycott actions." Pillay expands the definition by saying that "the conscious consumer is an ethical consumer. A consumer who will go and purchase a garment knowing where it was sourced from; having some sort of traceability on that garment."

Taking more into consideration

He adds: "They are the younger generation, under the age of 40, which according to research is 63% of the world's population. They are green and pick companies that support the environment. They are willing to pay more for socially responsible products and services.

"An important statistic from the _2015 Nielsen Global Corporate Sustainability Report_ shows that 68% of South African consumers are willing to pay more for brands that come from companies that are committed to positive social and environmental impact. This is in comparison to 66% global responders, which in turn, are up from 55% in 2014 and 50% in 2013."

When the conscious or ethical consumer considers making a purchase, they ask the following four questions:

• Who made my clothes?
• Do I really need this item?
• How long will this garment last?
• Is this brand transparent?

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According to Pillay, instances like the Rana Plaza disaster in Bangladesh forced retailers to take stock of their impact on the world.

"We all lived and operated in this bubble; ignorant to the effects that our industry was causing to the environment and we woke up one day to the sad news of these many people losing their lives and their families left destitute.

"Major retailers of the world were accountable for promoting the manufacture of cheap goods in these facilities and the result was shoddy workmanship in the buildings just to have the output to satisfy the need of capitalists without a social conscious.

> " *The reason we won't face up to the problems of the environment is that we are the problem.* "

He further states: "We're so caught up with everything that's led by fashion houses, the catwalks, and the celebrity status quo that we don't stop for a second to think about the impact we make on the environment. Second to oil, fashion and textiles are the biggest polluters in the world. Every stage of a garment's life threatens our planet and its resources. Up to 8,000 different chemicals are used to turn raw materials into clothes, including a range of dyeing and finishing processes."

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Reshifting focus

The rise of the consciousness of the consumer has led to retailers shifting their focus and emphasising social upliftment and environmental sustainability.

Pillay warns of retailers trying to do both at the same time. "With the ever-evolving fight and movement of social-consciousness and awareness raised regarding the environment, the marketing strategies of these retailers have now changed. They are kind of trying to do a CSR initiative along with promoting the environment, but, at times, we need to step back and ensure that there's no confusion between the two.

"When you do a CSR initiative it's good when you do it for a community, but traceability on how a garment or product is sourced is very important if you really want to make an impact socially, economically and environmentally."

He cites Shoprite's involvement in the Suthani Garden initiative, a community project that was started and maintained by a group of pensioners in Alexandra, outside Johannesburg. He says that it's a good example of a CSR initiative because "when you look at that, you'd think 'if I saw that in a supermarket, I'd want to buy it' because there's traceability that there's some social upliftment project associated with the products that are on sale."

Demanding transparency

The conscious consumer also demands transparency. According to Pillay, "they want to know where their clothing is sourced from, they want to know how it was made, and they want to know if the workers in that environment are well taken care of, if they are being paid the stipulated fair wage rate."

Issues like equal pay, environmentally-conscious manufacturing processes, prevention of counterfeit goods, human trafficking which is an element that is associated with labour, responsible farming practices, and overproduction of goods are all at the forefront of consumers' minds when making these choices."

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Furthermore, Pillay states that "a study by YouGov and the Global Poverty Project revealed that 74% of those surveyed would pay an extra 5% for their clothes if there was a guarantee that workers were being paid fairly and working in safe conditions.

> *If you think that 5% doesn't sound like a lot, consider the fact that the fashion industry would take a staggering 25 million people out of poverty by adding 1% of its profits to workers' wages.*

Leading to change

Taking all of these developments into account, TCI Apparel had decided to open a green design centre in Cape Town. "We started looking at our processes and production. We started to eliminate all our waste. We started to sit down with our sales divisions that normally would order anything in the region of 6 to 8% extra raw materials in the event that the customer would want additional units to that set order. We decided to enforce discipline into our practices and procurement by reducing procurement to an allowance of 2% from the 8% that it was in.

"That immediately reduced our inventories, caused a huge saving to our cost, and it made us more conscious about how we were sourcing in the past. Together with that, we streamlined our business. We began to look at a rework or an overwork and those kinds of things. We started to instil discipline in our production line. We invested heavily in machinery that reduced our energy consumption and we found that for the first time, we were proud of what we were doing," says Pillay.

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He adds that it is crucial for businesses to start taking its effects on the environment and those who inhabit it seriously and make some changes. "For-profits are starting to mimic non-profits and you would never fathom that in the past. How would a for-profit and non-profit organisation have the same sort of beliefs and values? Organisations, business, and retail leaders of the world have got to adapt to change and change demands that they look at the planet, social welfare, and wellbeing of the population, and do something about it.

"Resale scarcity and extreme weather caused by climate change as well as trends and consumer behaviour toward environmentally responsible products and services are interrupting business as usual. If we all continue to do what we've been doing in the past, there's no way our businesses could advance."

ABOUT MAROEFAH SMITH

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