

MITCHELL, ANNE, M.S. Exploring the Motivations and Decision Making of Sustainable Entrepreneurs: Implications for Apparel Manufacturing in the United States. (2014)

Directed by Dr. Nancy Hodges. 196 pp.

There is a growing interest in sustainability in response to what some consider to be the “throwaway” consumer culture of today (Pookulangara & Shephard, 2013).

Sustainability is a growing trend across industries and among consumers, as more people consider the implications of their actions for the future. The goal of this thesis is to understand the role of sustainable entrepreneurship within the apparel manufacturing sector. While consumption passed the point of the earth’s sustainability in 1978, it does not appear that this trend will end anytime soon. Indeed, during 2010 alone, 13.1 million tons of textile waste was generated in the U.S. (Environmental Protection Agency [EPA], 2012). Rather than focusing solely on profit, the notion of sustainable development encourages a focus on what is known as the “triple bottom line” (Elkington, 1997), which combines economic gain with environmental and social value creation (Hockerts & Wustenhagen, 2010).

The purpose of this study is to explore the motivations and decision-making of sustainable apparel entrepreneurs and to investigate their business models with regard to the broader implications they may have for U.S. apparel manufacturing as a whole. Using a case study approach, in-depth interviews were conducted with the founders of six sustainable apparel companies headquartered in the Southeastern United States. Interviews lasted for approximately one to three hours in length, and were recorded with participant’s consent. Interviews were transcribed verbatim and interpreted thematically.

Three conceptual areas of Philosophy, Positioning, and Production resulted from the analysis. Within these conceptual areas, a total of ten themes surfaced and were used to structure the interpretation. Based on the interpretation, four key drivers of motivation and decision-making were identified: (a) Altruism, (b) Self-Definition, (c) Symbiosis, and (d) Blind Impulse. In addition, four key business model attributes were defined: (a) Product Stewardship, (b) Value Alignment, (c) Strategic Partnerships, and (d) the Triple Bottom Line. Based on the findings, several recommendations for potential startups were made, including the following: (a) align goals, (b) allow for mistakes, (c) make the most of resources, and (d) nurture relationships.

Because there is a limited amount of research that explores sustainable apparel entrepreneurs, the results of this study provide an in-depth understanding of the benefits and challenges involved in running a sustainable apparel business. Future empirical research is needed to further investigate sustainable apparel entrepreneurship from other angles, such as across cultures and from other perspectives including those of suppliers and customers. Such research would further enrich our overall understanding of what it means to produce apparel sustainably.

EXPLORING THE MOTIVATIONS AND DECISION MAKING OF SUSTAINABLE
ENTREPRENEURS: IMPLICATIONS FOR APPAREL
MANUFACTURING IN THE
UNITED STATES

by

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A Thesis Submitted to
the Faculty of The Graduate School at
The University of North Carolina at Greensboro
in Partial Fulfillment
of the Requirements for the Degree
Master of Science

Greensboro
2014

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November 5, 2014
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November 5, 2014
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ACKNOWLEDGMENTS

I would like to give thanks to all those who have supported me throughout my Master's program. Without their love, care and mentoring, I would not have been able to complete the task at hand. My sincere thanks and gratitude go out to Dr. Nancy Hodges, for her steady guidance, awesome intellect, and for bringing out the absolute best in me. I would also like to thank my committee members, Dr. Byoung-ho Jin and Dr. Kittichai Watchravesringkan, both of whom offered valuable feedback and insightful education during my tenure at UNC-G.

A special thanks goes out to UNC-G PhD candidate Miranda Williams, my friend, supporter, confidante, and IT guru. I am forever grateful for her patience, encouragement, and coaching during this process.

I would also like to thank all of the participants for sharing their time and stories with me. Without them, this study would not have been possible. I appreciate their candor, their devotion to sustainability and to the domestic apparel manufacturing industry. Finally, I would like to thank my family, but especially my husband Gary Wood, for his constant encouragement, support and patience throughout the entire process. His love and devotion are tantamount to my success.

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CHAPTER I

INTRODUCTION

The reason why so many of us have no kinship with or respect for anything in our closets and why fashion can seem so self-indulgent and pretentious nowadays is because fashion has become a slick, industrialized, heavily marketed industry. Loving most clothes sold today would be like loving a fast-food sandwich. (Cline, 2012, pp. 189–190)

The goal of this thesis is to understand the role of sustainable entrepreneurship within the apparel-manufacturing sector. There is a growing interest in sustainability in response to what some consider the “throwaway” consumer culture of today (Pookulangara & Shephard, 2013). The idea of throwaway apparel consumption stems from a significant reduction in apparel production costs, and, in turn, an increased frequency of fashion purchasing by consumers (Birtwistle & Moore, 2007). According to Birtwistle and Moore (2007), this increased frequency results in more rapid obsolescence of clothing styles, which leads to feelings of alienation among consumers with respect to their clothes.

It is no surprise that lower prices are the impetus for the compressed consumption cycle seen within most product categories, including apparel (Schor, 2005b). Moreover, it appears that the apparel industry’s primary goal is to foster a loss of interest in the product before its actual life cycle has ended (Birtwistle & Moore, 2007). Indeed, some apparel companies such as Zara, H & M, and TopShop specifically design garments to be worn fewer than ten times (McAfee, Dessain, & Sjoeman, 2004). Such companies are

known as “Fast Fashion” retailers due to the short production and distribution lead times and highly fashionable, or “trendy” product design (Cachon & Swinney, 2011).

A few studies have examined the consequences of today’s rapid pace of product obsolescence and high level of consumption. For example, according to Wackernagel et al. (2002), consumption passed the point of the earth’s sustainability in 1978, and, based on current rates of consumption, it does not appear that this trend will end anytime soon. Indeed, during 2010 alone, 13.1 million tons of textile waste was generated in the U.S., which equals 5.3% of the total municipal solid waste generation (EPA, 2012). One reason for this waste is the practice of buying newer or bigger products (e.g., houses and cars) or multiple versions of a type of product regardless of need. Such practices are facilitated by low prices and a mentality of disposability. That is, consumers are focused on the “excessive accumulation” of products that have rapid cycles of obsolescence fostered by low prices (Schor, 2005b). In other words, “Fast Fashion” speeds up the cycle of fashion based on its business model.

Given the cultural focus on constant consumption, the question of what can be done to alter the present course arises. Thus, this study seeks to understand how sustainability may be introduced into the apparel industry, and specifically apparel manufacturing practices, as a way to reduce waste and encourage longevity. Few studies exist which examine sustainable apparel business models, particularly in the area of apparel manufacturing. Furthermore, there are no studies that explore how attributes of traditional methods of apparel manufacturing (now being called Slow Fashion) may work in tandem with those of Fast Fashion, and ultimately to employ this hybrid approach in

apparel manufacturing. Thus, this thesis seeks to identify how apparel businesses can incorporate sustainable practices into a business model that recognizes the idea that “Fast Fashion” is not likely to disappear any time soon.

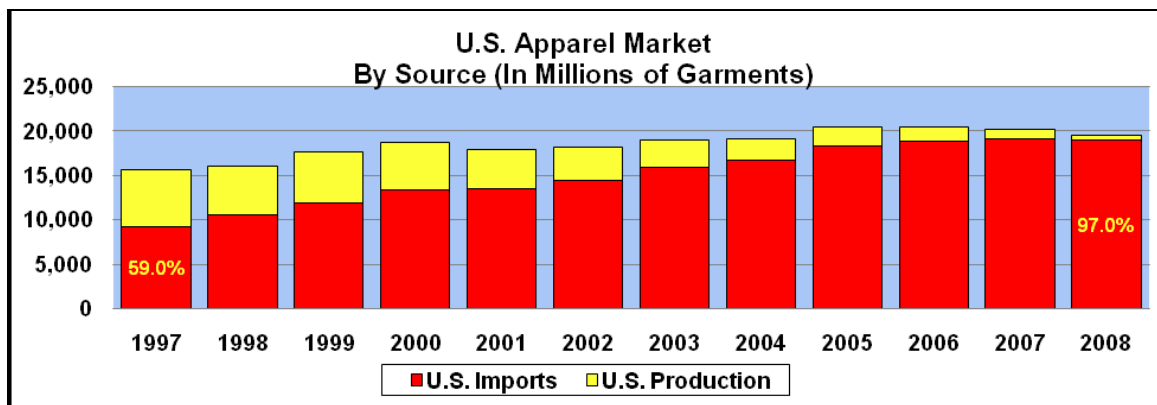
Background

How the Fashion Industry Became ‘Fast’

Prior to the late 1930s, the US fashion industry was much like its European counterparts in France, Italy and England. Apparel was made quickly and efficiently in small shops. In the U.S., these were located mainly in the Garment District of New York City (Doeringer & Crean, 2006). It was during World War II that the “progressive bundle system” (PBS) was developed as a means of making mass apparel production more efficient (Doeringer & Crean, 2006). PBS is a system whereby various parts of a garment are cut and then “bundled” into stacks that are then delivered to the sewing room to be sewn together. PBS shifted the focus of production from that of small scale to large-scale manufacturers who had the ability to produce large quantities of garments at a relatively low price (Doeringer & Crean, 2006).

One major problem with PBS was that it was unwieldy. For example, retailers had to select styles and place orders far in advance of the season. This carries a relatively high risk, in that costly mistakes can be made with regard to choosing garments that the customer may not want. Consequently, over time manufacturers relinquished control to large retailers, who then began creating their own design capabilities and ultimately competing for market share with these same manufacturers, thereby weakening the industry as a whole (Doeringer & Crean, 2006). It was during the 1970s that the fashion

industry began looking overseas for greater competitive price advantage, especially with regard to labor, and by mid-1980, the majority of apparel manufacturing had moved abroad (Doeringer & Crean, 2006). As a result of moving manufacturing out of the U.S., the smaller domestic manufacturers and contractors also began to disappear. As shown in Figure 1, the ripple effect was such that in 1997, over 40% of apparel sold in the U.S. was produced domestically, but by 2008 that number had dropped to just 3% (American Apparel & Footwear Association, 2009).

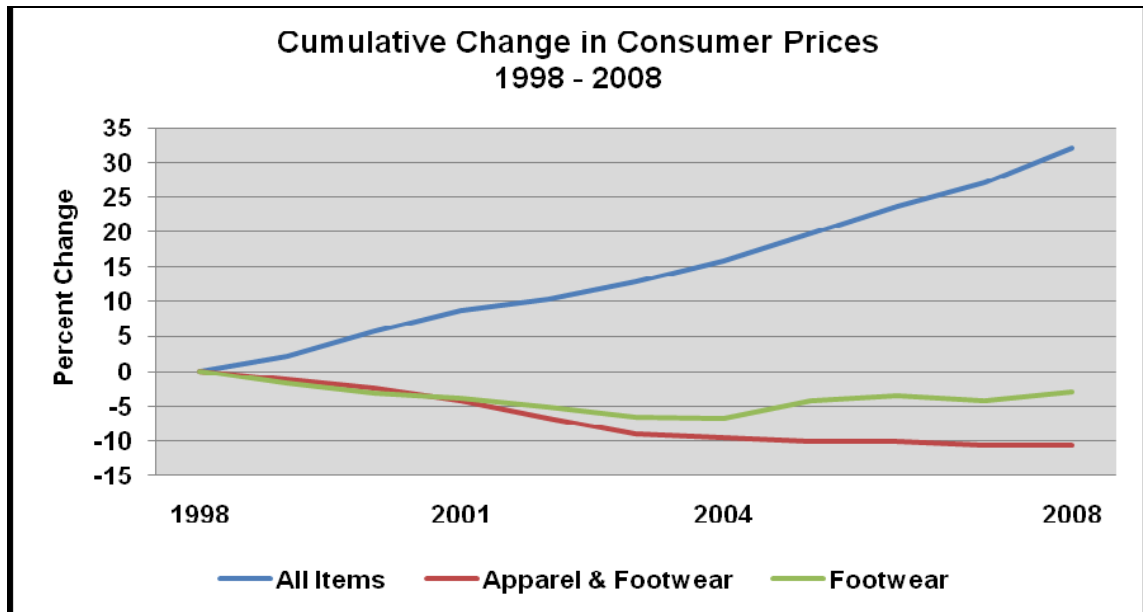


Source: American Apparel & Footwear Association, 2009

Figure 1. U.S. Apparel Production 1997–2008.

The shift toward large apparel producers, such as Wal-Mart, Target and Federated Corporation has, over time, led to a steady decline in prices. Specifically, from 1998 to 2008 apparel prices have followed a downward trajectory (see Figure 2). During this time period, prices dropped a total of 11% for apparel and 3% for shoes, yet the cost of commodities has increased by 32% (American Apparel & Footwear Association, 2009). While most commodities are going up in price, apparel has not and instead has dropped

significantly, making it underpriced compared with the rest of the market and easy to over-consume when compared to other commodities.



Source: American Apparel & Footwear Association, 2009

Figure 2. Cumulative Change in Consumer Prices 1997–2008.

At the end of World War II, most large apparel companies pursued what is referred to as a traditional retailing course. This is known as a “traditional” system because it is characterized by long lead times and limited capacity for product design (Jin, Chang, Matthews, & Gupta, 2011). Over the next few decades, retailers began to modify this approach into “lean” and “agile” supply chain management (Bruce, Daly, & Towers, 2004). The “lean” approach can be traced back to Toyota’s production system that focused primarily on waste reduction (Bruce et al., 2004). Abernathy, Dunlop, Hammond, and Weil (2000) developed a model for lean manufacturing specific to apparel that incorporates the elements of rapid replenishment of products, timely

shipments and order accuracy utilizing bar codes and Electronic Data Interchange (EDI). However, instead of maintaining a nimble domestic supply chain by utilizing smaller manufacturing companies in areas like New York or Los Angeles, most companies developed strategies for global operations, relying on information technology and a small number of suppliers. This limited their flexibility and ability to take advantage of greater speed-to-market capabilities and a more robust sourcing network (Doeringer & Crean, 2006).

In contrast, Fast Fashion incorporates both expanded design capabilities and shortened lead times. “Fast Fashion” can be defined as an apparel business that addresses the rapid cycles of change primarily utilizing the following characteristics: shortened production and distribution, referred to as quick response (QR) and on-trend, fashionable product design, also known as enhanced design (ED) (Cachon & Swinney, 2011; Desai, Nassar, & Chertow, 2012). The Enhanced Design (ED) component of Fast Fashion focuses on trendy, fashionable garment development made possible by carefully tracking trends and consumer demand (Cachon & Swinney, 2011). Quick Response (QR) is defined as a key process in the development of Fast Fashion where production times are shortened through a combination of sophisticated information technology, inventory monitoring and minimizing of distribution lead times.

Enhanced Design (ED) is crucial to an “agile” supply chain where knowledge of consumer demand is tantamount when fashion lifecycles are short and volatility of trends is high. As Fernie and Sparks (1998) point out, the fashion industry is one of high impulse purchases, low predictability, high volatility and short lifecycle. In today’s fast

paced market, both “agile” and “lean” apparel production methods are utilized, however no company fits neatly into one or the other, but instead is a combination of both (Bruce et al., 2004). Fast Fashion companies must gather and share sales and trend data very efficiently to lower risk and increase the fashion relevance and desirability of their products. However, the propensity for overconsumption is inherent in Fast Fashion apparel due to its reliance on limited supply, which influences consumer purchasing behavior. As Cachon and Swinney (2011) state: “Thus, whereas quick response decreases the expected future utility of waiting for a price reduction, enhanced design increases the immediate utility of buying the product at the full price” (p. 779). In other words, rapid style change and limited supply prompt consumers to purchase a trendy item out of concern that the item may be out of stock if they wait for a sale (Cachon & Swinney, 2011).

What is Slow Fashion?

Slow Fashion is often positioned as the antithesis of Fast Fashion. However, while the two are considerably different, they are not exact opposites. The term “Slow Fashion” is attributed to Kate Fletcher, a British author and eco-researcher who supposedly coined the term in 2007 (Fletcher, 2007), but the idea is related to the Slow Food movement that began in Italy by the chef Carlo Petrini in 1986 (Fletcher, 2007). Twenty-five years later, the idea of “slow” has gained popularity on a global scale. Slow Fashion, like Slow Food, suggests that consumers should care about where the clothing they buy comes from, how it is made, and whether it is made responsibly. In other words, Slow Fashion is the development of fashion that values local resources and

distributed economies, has transparent production systems with less distance between consumer and producer, and creates more sustainable and sensorial products with both longer usable life and higher value (Clark, 2008). Why do these things matter? As British fashion designer Katharine Hamnett states, “How we consume shapes the future of the planet” (Black, 2008, p. 11). The idea of “slow” has already taken a firm hold in the food industry. It is possible that a similar shift may be seen in the fashion business, but researchers and advocates point out that it will require a great deal of work on the part of consumers as well as industry (Niinimaki & Hassi, 2011; Pasquinelli, 2012; Pookulangara & Shephard, 2013).

Well-known “treatises” have been written about the food industry and its call for change, from Michael Pollan’s *The Omnivore’s Dilemma* (2006) to Barbara Kingsolver’s year of “locavore eating” in *Animal, Vegetable, Miracle* (2007). These books and films like *Super Size Me* (Lewis & Potter, 2011) have offered consumers a new perspective on how they can impact the U.S. food system by the choices they make. A visible example of a positive change in U.S. consumer eating habits is in the proliferation of farmer’s markets. According to the USDA, in the last 10 years, the number of farmer’s markets in the U.S. has more than doubled, reaching over 7,800 (U.S. Department of Agriculture, 2013). Likewise, there is increasing demand for organic food in as much as consumers spent 26.7 billion dollars on organic food in 2010, up from just one billion in 1990 (Organic Trade Organization, 2012). Indeed, it is not impossible to imagine that a similar scenario could take place in the fashion industry.

A move to Slow Fashion will require not only a technological shift, but also a shift in mindset because “the incentives to increase the scale of consumption are too powerful” (Schor, 2005a, p. 310). Elizabeth Cline’s (2012) book, *Overdressed: The Shockingly High Cost of Cheap Fashion* sheds light on the extent of the fashion industry’s unsustainable practices, including excessive waste, toxic chemical runoff, unsafe working conditions and inferior wages. Moreover, Cline’s book points to the ways that consumers’ purchasing choices are also a part of the problem. To combat these problems, the Slow Fashion process focuses on three main factors: (a) design, with an emphasis on sustainable practices, (b) production that encompasses quality, craftsmanship and experienced labor, and (c) consumption with an emphasis on education, investment and longevity of the product (Pookulangara et al., 2013). Indeed, some researchers maintain that a reconnection of consumers with what they consume should be “a leitmotiv of ethical consumption” (Kneafsey et al., 2008, p. 36) and that ethical consumption choices are closely tied to our everyday lives, such that the choices we make today will help to save the environment for future generations (Lewis & Potter, 2011, p. 10).

Merging Fast and Slow: The Sustainable Approach

Although the Fast Fashion business model offers many benefits to both the consumer and the industry, there are several limitations that could be addressed through Slow Fashion. For example, Fast Fashion does not take into account the waste that is being created by the overwhelming quantities of merchandise available in today’s marketplace. The Fast Fashion business model is linear, i.e., the focus is on the front, not

the back end of the supply chain. That is, the Fast Fashion business model is focused on design and production of garments, but not what happens with the garment post-production. However, the closed-loop system of Slow Fashion considers all aspects of a garment's life, from beginning to end, including disposal or recycling of each garment. Indeed, according to Abraham (2011), the industry, consumers and the environment would benefit if the Fast Fashion model were to incorporate reverse logistics, or "the process of collecting used products and materials from first customers in order that they be reused, recycled, or upcycled into other products" (p. 211). Consideration of the entire consumption cycle would necessitate a change in the current business model, from a linear system to a closed-loop one, creating a type of hybrid Fast Fashion model, whereby a retailer takes on the responsibility of dealing with the disposal of the products it created in the first place (Ho & Choi, 2012). As Abraham (2011) points out, if a company does not take responsibility for its products at the end of the consumption cycle, then these products simply end up in landfills. The point is not that every Fast Fashion retailer should be involved in aftermarket goods, but that each has a strategy for dealing with the waste that it produces (Abraham, 2011).

Urban Outfitters is one example of a Fast Fashion retailer currently developing a more closed-loop system. This company offers a line called "Urban Renewal" that uses everything from overrun fabric to repurposed sweater sleeves to make "new" garments and accessories (www.urbanoutfitters.com). In other words, what was previously considered waste is repurposed into trendy and salable items. Another example can be seen in the closed-loop system of online fast fashion retailer ASOS. An entire section of

the company's web site is devoted to the customer's individual resale of gently used garments originally purchased from Asos (www.asos.com, 2012).

There are also examples that date further back in time, to before the advent of Fast Fashion. In the 1960s, popular apparel brand Jonathan Logan operated an integrated factory in Spartanburg, SC that included everything from the spinning of wool, to fabric production to finished dresses. The company also owned the planes used to ship orders quickly to stores throughout the U.S. (Cline, 2012, p. 98). Indeed, this strategy would be a good fit today for small-run, custom fashion products that require a quick-to-market approach (Desai et al., 2012). As Cline (2012) points out,

This just-in-time thinking is the legacy of the fast fashion industry and the Internet age, but it's how the industry ran when it was smaller and more independent. Being able to respond quickly to demand is giving domestically produced clothing lines a much-needed competitive advantage. (p. 213)

The *Sentier* neighborhood operates on a similar system of localized production and quick response. Located in Paris, this garment district can create and execute a new garment in as little as two weeks and have specialty retailers test market the products before moving on to larger orders (Doeringer & Crean, 2006). This cluster approach, whereby a number of specialized, interrelated companies located in close proximity to each other work in symbiotic fashion (Porter & Kramer, 2011), was once the norm in NYC's garment district (Rantisi, 2002), and has been successful in other industries, such as Information Technology in Silicon Valley (Porter & Kramer, 2011).

The cluster model is gaining some traction again in the U.S. market, albeit on a much smaller scale and is being employed by some boutiques, including Epic in Los

Angeles and Kaight in New York City. These businesses work strictly with independent designers who can respond quickly to customer demands. As Epic's owner states, "If a line's rack gets really low, we can just call the designer and say, *"Hey guys, do you have anything you feel like whipping up this week?"*" (Cline, 2012, p. 212). These retailers will only purchase sustainable products and do so by working closely with designers to create and nurture sustainable local supply chains. Ultimately, these retailers are partners in the process, rather than gatekeepers, and, in turn, help to improve the entire system (Cline, 2012).

Creating Shared Value (CSV) is another type of hybrid approach to doing business. A term coined by Porter and Kramer (2011), the idea is simple: companies need to go beyond traditional "social responsibility" to develop a targeted focus on societal and environmental needs (versus just economic) when establishing their policies and operating procedures. In other words, instead of just dabbling in citizenship and philanthropy, the company would instead look inward with a critical eye and consider the benefits and harm that could come from its products and processes (Porter & Kramer, 2011). CSV would obviously have substantial bearing on apparel manufacturing, as it highlights the futility of short-term cost reductions and, instead, encourages companies to alter their procedures for more long-term improvements in minimizing environmental impact. Moreover, CSV goes beyond discretionary giving that results from stakeholder pressure. CSV reframes the organization's social responsibility agenda, making it an internal one whereby sustainability and social responsibility are integral to every action, not just those related to giving. In turn, profit is no longer defined by the question of how

cheaply something can be made, but by whether the product is worth anything if profits diminish societal benefits. Some refer to this outcome as indicative of a more sophisticated form of capitalism, or “natural capitalism” (Hawken, Lovins, & Lovins, 1999). Clearly, not all organizations will embrace CSV, but through stricter regulations, companies may be forced to take this point of view more seriously.

An example of a hybrid approach to sustainability in the apparel sector is the Value Chain Index (VCI). The Sustainable Apparel Coalition, comprised of a group of apparel retailers, are working together to establish standardized benchmarks for a product’s environmental impact that will take the form of a label used to inform the consumer (Chouinard, Ellison, & Ridgeway, 2011). Much like a garment tag that states the garment’s country of origin, material composition and care instructions, this new type of label would indicate the level of environmental impact resulting from the production of the garment. For example, this product tag would be similar to Energy Star ratings one finds on home appliances today, where customers can see a product’s rating on numerous criteria, including use of heavy metals and flame retardant properties (Choinard et al., 2011). To date, the coalition is comprised of more than 40 companies that represent over 30% of the global apparel and footwear industry, and it will likely continue to grow, as apparel companies will be expected to comply with this labeling in the near future (Choinard et al., 2011).

According to Ho and Choi (2012), Fast Fashion companies must explore green supply chain management (GSCM), not only to reduce waste but also to gain competitive advantage and economic benefits over the long run. To this end, some companies are

exploring a Five-R framework of “recycle, reuse, reduce, re-design and re-imagine” as proposed by Etsy and Winston (2009) and with additional “Rs” such as re-wear, re-style, replace and rewards. On a similar note, C2CAD (Cradle-to-Cradle Apparel Design) is based on the tenets of McDonough and Braungart’s (2002) Cradle-to-Cradle (C2C) design. Inherent in the C2C model is not necessarily a “slowing down” of processes, but a more carefully crafted design and selection of materials on the front end of the process, thereby alleviating environmental impacts resulting from production. However, the C2C business model only addresses environmental concerns, and does not consider societal issues, like employee remuneration and working conditions (Gam, Cao, Farr, & Heine, 2009).

As Ho and Choi (2012) state, “It is apparent the fashion industry is undergoing a paradigm shift and companies who anticipate the shift and act prior to it will inevitably benefit” (p. 171) suggesting that the “race to the bottom” (i.e., the lowest cost for highest profit model) is over and there is really nowhere to go now but up. As a result, a movement toward a more low-impact industry that derives benefits from embracing a more sustainable supply chain would replace the myopic focus on the low cost production-to-profit ratio. Those who are at the forefront of this movement tend to be small businesses run by individuals with a sustainable mindset (Ho & Choi, 2012).

Sustainable Entrepreneurs

Sustainability is a growing trend across industries and among consumers, as more people consider the implications of their actions for the future. The phrase “sustainable development” was first coined in 1972 at the United Nations Conference on the Human

Environment (Hall, Daneke, & Lenox, 2010) and was further developed in 1987 in a report to the UN by the World Commission on Environment and Development (WCED) that many refer to as “The Brundtland Report” (Hall et al., 2010). This report defines sustainable development as “development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs” (WCED, 1987, p. 43). Rather than focusing solely on profit, the notion of sustainable development encourages a focus on the so-called “triple bottom line” (Elkington, 1997), which, as seen in Figure 3, combines economic gain with environmental and social value creation (Hockerts & Wustenhagen, 2010).

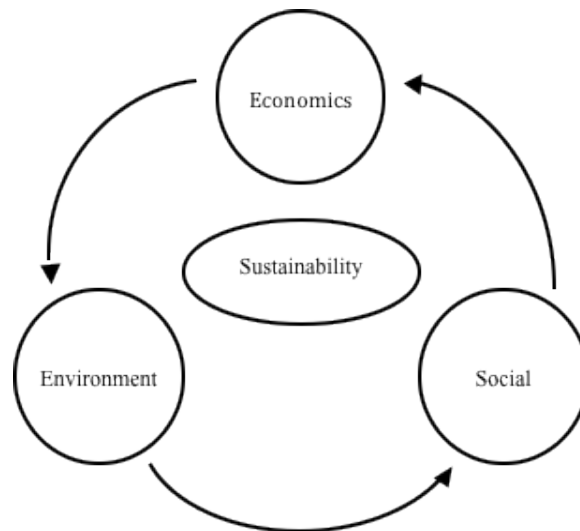


Figure 3. The Triple Bottom Line of Sustainability.

Entrepreneur is a French word that can be understood as “taking the initiative to bridge” (Schaltegger & Wagner, 2011, p. 225). In essence, an entrepreneur is someone who earns a living by controlling a business activity in order to produce more than he or

she can personally consume in order to profit (Walley & Taylor, 2002). Sustainable entrepreneurship can therefore be characterized as business activities that are focused on bringing about societal change as well as market success (i.e., profits) while keeping environmental and social benefits at the forefront of the business (Gibbs, 2009; Schaltegger & Wagner, 2011). In short, the sustainable entrepreneur is likely to seek financial success by honoring the triple bottom line throughout all facets of the business (Schlange, 2006). Sustainability and sustainable entrepreneurship are important concepts in the development of hybrid approaches to apparel manufacturing because they help shape how a sustainable entrepreneur runs his or her business. How an entrepreneur integrates sustainability as part of the business model may shed light on how he or she merges Fast and Slow Fashion for a more sustainable approach to apparel manufacturing.

Purpose and Objectives

The purpose of this thesis is to explore the role of sustainable entrepreneurship within the apparel-manufacturing sector. Considering the growing trend of sustainability and the emergence of sustainable approaches to doing business, this study will explore how such approaches might be implemented within U.S. apparel manufacturing. Four research objectives were developed to address this purpose:

1. To identify the motivations of sustainable entrepreneurs within apparel manufacturing.
2. To examine the decision-making of sustainable entrepreneurs relative to apparel manufacturing.

3. To investigate the business models used by sustainable entrepreneurs in the apparel manufacturing process.
4. To explore the significance of these models for the future of the U.S. industry, particularly domestic apparel manufacturing.

Because relatively little research has been conducted to examine approaches to apparel manufacturing that combine the best of both Slow and Fast Fashion business models, this thesis will shed light on how considerations of sustainability are being integrated within the production and, ultimately, the consumption of apparel products and what this means for the future of the domestic apparel industry.

Scope and Significance of Study

As discussed, this study explores sustainable entrepreneurship as it relates to apparel manufacturing. Very little research has been done in this area as of yet. Thus, this study fills a gap in knowledge regarding an emerging trend, particularly with respect to apparel manufacturing. More broadly, there is a paucity of research with regard to sustainable entrepreneurship in general. Indeed, the literature on business and sustainability is minimal (Cohen & Winn, 2007). Although there are many studies on entrepreneurship, academic discourse relative to sustainability and entrepreneurship is sparse (Hall et al., 2010). Thus, this thesis will address this void, as it provides a better understanding of the motivations and decision-making of sustainable apparel entrepreneurs. Sustainable entrepreneurs are increasingly being viewed as leaders in the shift to a new form of capitalist development (Gibbs, 2009), and one that focuses on the triple bottom line of economic, environmental and social needs. Hence more research is

needed that examines the impact of sustainable entrepreneurs on business strategy in general and their approaches to apparel manufacturing in particular.

This study is unique in several ways. First, the academic literature regarding apparel-manufacturing addresses ‘Fast Fashion’ and ‘Slow Fashion’ as distinct in terms of production processes and consumption motivations. To our knowledge, this study is the first to attempt to explore how the two concepts might be bridged. Sustainable development implies ameliorating the negative effects of, but not preventing economic growth (Robinson, 2004) and this study investigates how sustainable entrepreneurs can link Fast and Slow Fashion together in a way that reflects the notion of sustainable development (i.e., that which meets the needs of today’s consumers without jeopardizing the needs of future generations). Second, this study employs a qualitative approach in order to fully understand the role of sustainable entrepreneurs in apparel manufacturing and their business models from their own perspective. Third, by exploring the perspectives of sustainable entrepreneurs, best practices relative to the hybrid business approach can be examined. Ultimately, this study will shed light on what the future of apparel manufacturing in the U.S. could look like and how this future might benefit consumers, society and the planet.

Definition of Key Terms

This section presents the definitions of key terms that are used throughout the thesis.

Biomimicry—A process by which large-scale advancements in sustainability are designed by imitating nature. For example, the Canadian company Maxim Power

converts methane gas from landfills (i.e., waste) and turns it into electricity (i.e., food) for local utility companies (Cohen & Winn, 2007).

Bioneer—A term that melds ‘bio’ and ‘pioneer’ to describe an individual or organization that focuses on research and development, and developing a niche market for their customer focused eco products and inventions/innovations. Method cleaning products in the U.S. would be a good example of a bioneer development (Schaltegger & Wagner, 2011).

Cradle to Cradle (C2C)—A framework in manufacturing whereby designs produced are commercially productive, socially beneficial and ecologically intelligent (McDonough, Braungart, Anastas, & Zimmerman, 2003).

Eco-efficiency—Minimizing environmental and economic waste for cost-savings, resource efficiencies and increased profits (Cohen & Winn, 2007).

Ecopreneur—A person who starts a business that integrates sustainable processes throughout all facets of the enterprise (Isaak, 2002).

Enhanced Design (ED)—A key process of “Fast Fashion” organizations whereby product design focuses on trendy, fashionable garment development made possible by carefully tracking trends and consumer demand (Cachon & Swinney, 2011).

Entrepreneur—A person who seeks to discover, create and exploit goods and services while exercising control over an enterprise, producing more than can be personally consumed, in order to profit (Venkataraman, 1997; Walley & Taylor, 2002).

Fast Fashion—An apparel business that addresses the rapid cycles of change primarily utilizing the following characteristics: shortened production and distribution,

referred to as quick response (QR) and on-trend, fashionable product design, also known as enhanced design (ED) (Cachon & Swinney 2011; Desai et al., 2012).

Green Business—An enterprise that did not start out as a sustainability-driven business, but evolved into one based on the cost/marketing and innovation advantages of being sustainable (Isaak, 2002).

Green-green business—An enterprise that is designed from scratch to be sustainable in its processes and products (Isaak, 2002).

Institutional Entrepreneur—An entrepreneur who initiates changes to transform an existing business into a more sustainable one (Schaltegger & Wagner, 2011).

Intrapreneur—An entrepreneur within an organization who instigates sustainable development of that company to change and shape its environmental and business growth (Gapp & Fisher, 2007; Pinchot, 1988; Schaltegger & Wagner, 2011).

Negative Externalities—When a third party incurs the costs resulting from the production or consumption of products and services without receiving equivalent benefits (Cohen & Winn, 2007).

Quick Response (QR)—A key process in the development of “Fast Fashion” where production times are shortened through a combination of sophisticated information technology, inventory monitoring and minimizing of distribution lead times (Cachon & Swinney, 2011).

Radical Innovation—An innovation characterized by creating new-to-the-world markets that is disruptive for both customers and manufacturers. The Prius car by Toyota

is a good example of a radical innovation as it was a completely new idea (a ‘hybrid’ car) when it was introduced (Markides & Geroski, 2005, p. 17; Schaltegger & Wagner, 2011).

Slow Fashion—The development of fashion that values local resources and distributed economies, has transparent production systems with less distance between consumer and producer, and creates more sustainable and sensorial products with both longer usable life and higher value (Clark, 2008).

SME—Small and medium sized enterprises (Rodgers, 2010).

Social Entrepreneur—An entrepreneur concerned with achieving societal goals and securing funding (Schaltegger & Wagner 2011).

Sustainability—The ability of humans to live within environmental constraints. There are three main simultaneous pursuits of sustainability: economic prosperity, environmental quality and social/ethical equity (Elkington, 1997; Robinson, 2004; Walley & Taylor, 2002).

Sustainable Development—Development that “meets the needs of current generations without compromising the ability of future generations to meet their own needs” (Robinson, 2004; WCED, 1987, p. 23).

Sustainable Entrepreneurship—An entrepreneur who attempts to combine environmental, social and economic components of sustainability holistically in developing and running a business (Gibbs, 2009).

Triple Bottom Line—The balancing of economic health, social equity and environmental resilience (Cohen & Winn, 2007; Elkington, 1997).

Summary

This chapter presented the purpose and objectives of the study. Issues of relevance to the topic, including Fast Fashion, Slow Fashion, and the merging of the two for developing a sustainable approach to apparel manufacturing, were also discussed.

The next chapter presents a review of the literature pertinent to the topic.

CHAPTER II

LITERATURE REVIEW

In this chapter, research on the topic of sustainable development, specifically sustainable entrepreneurship, is reviewed. I begin with a discussion of the organizing principles of sustainable development in business. I then explore the literature on sustainable development as it applies to sustainable entrepreneurship. This is followed by a comparison of Fast Fashion with Slow Fashion and discussion of the related literature as a means of exploring the role of sustainable business models within the apparel-manufacturing sector.

Sustainable Development

Organizing Principles and Perspectives

There is a wealth of research on sustainable development. Because sustainable entrepreneurship is based on sustainable development, a closer examination of the organizing principles that encompass sustainable development is necessary. According to Parrish (2007), sustainable development is a human vision of progress that incorporates ecological, social and economic systems at its core (Parrish, 2007). It is also a merging of the three systems, whereby all have equal footing (Hall et al., 2010). The vision of sustainable development is to ameliorate, but not challenge, economic growth, while at the same time focusing on humanity's ability to coexist with environmental limitations (Robinson, 2004). As part of this vision, human-made artifacts (such as

manufactured apparel) are a key means of affecting change, particularly by the way that such artifacts are constructed (Parrish, 2007). However, in order to begin to move toward this change, there are two organizing principles of sustainable development that must be present.

The first organizing principle is that the value of all enterprise activities must be in concord among all hierarchical levels. That is, the stakeholders, the enterprise and the social-ecological system (Parrish, 2007). According to Value Theory, an object is only of value in relation to the subject that is valuing it and the context in which it is being valued (Parrish, 2007). For instance, as an artifact, a telescope may have no value to a blind person, but may be of great value to an astronomer. Likewise, when defining the “value” of an artifact with regard to development, three different perspectives must be considered, including that of (1) the enterprise that developed the artifact, (2) the individual stakeholders of that enterprise, and (3) the social-ecological system in which the artifact is developed (Parrish, 2007). These three perspectives comprise the hierarchical nature of an object’s value, which can be conflicting, depending on the perspective (Parrish, 2007). For example, an enterprise might focus on cutting corners to enhance short-term profits at the detriment of the social-ecological system and this might take the form of low wages or lack of pollution controls. In contrast, a guiding principle of sustainable development is that all three perspectives must be considered holistically (Parrish, 2007).

Examining the three perspectives more closely, starting with the enterprise that developed the artifact, we can see how the three perspectives are interrelated. According to Barnard (1938) and March and Simon (1967), the survival of an enterprise is based on

a balance of the input of the participants with the output of the enterprise. In other words, the enterprise cannot survive without participants and resources. A great deal of emphasis is placed on the role of the enterprise's leaders, who enhance the bottom line while they infuse the organization with meaning and collective identity. However, factors such as cash flow, contributions of participants (who are also stakeholders), and contributions from the social-ecological system are just as critical in the perspective of the enterprise (Parrish, 2007).

The second perspective of sustainable development is that of the stakeholder. Maslow's hierarchy of needs suggests that there are various levels of needs that must be met in order for people to be fulfilled (Solomon, 2011). These needs range from those that are basic like food, shelter and water, to the more complex, such as self-actualization needs like creativity, respect and so on. Based on Maslow's theory, stakeholders would have physical and material needs, like compensation, as well as self-actualization needs, including fulfillment, creativity and other things that offer positive value for the individual. Examples that meet the basic as well as more complex need of stakeholders might include efforts on the part of the enterprise to pay fair wages, hire locally and protect the environment (Parrish, 2007). In other words, in order for an object to be valued from the stakeholder's perspective, it must meet his or her physical and material needs.

The social-ecological system in which the artifact is developed is the third perspective of sustainable development. An ecological system has to be self-regenerating in order to maintain itself. Similarly, a social system must have the capacity to function

for the ongoing benefit and well-being of its inhabitants (Parrish, 2007). In addition, the social-ecological system's perspective of sustainable development is not merely a *quantitative* one, but a *qualitative* change for the well-being of the entire system (Schumpeter, 1934).

Alongside concordance among stakeholders, the enterprise and the social-ecological system, the second organizing principle of sustainable development is that the needs of an enterprise's activities must be congruent (Parrish, 2007). In other words, survival needs (sustainability) and purposive needs (development) must be in accordance with one another for an enterprise to contribute to sustainable development (Parrish, 2007). Although some researchers claim that sustainable development is an oxymoron (Robinson, 2004), others suggest that the holistic approach of sustainable development is the only way societies can meet both survival and purposive needs successfully (Hall et al., 2010). For example, in their study of sustainable entrepreneurship, Shepherd and Patzelt (2011) outlined exactly what is to be sustained and what is to be developed. Their study concluded that what should be sustained is as follows: nature, sources of life support, and communities. What is to be developed is as follows: economic gain, non-economic gain to individuals, and non-economic gain to society. The authors see sustainable entrepreneurship as the link between sustainability and development. In the next section, approaches to sustainable development outlined in the literature are explored.

Business Strategies

As discussed briefly in Chapter I, the idea of sustainable development is a fairly recent one. Coined in the 1980s as part of the Brundtland Report issued by the UN Commission on Environment and Development (Robinson, 2004), sustainable development is defined as development that “meets the needs of current generations without compromising the ability of future generations to meet their own needs” (WCED, 1987, p. 23). While the challenge of creating a global economy that is sustainable, as well as the perils of not creating one, have been thoroughly debated within the sustainability literature, one common point is that corporations are largely responsible for spearheading the change towards a sustainable global economy, particularly for making a positive impact through smaller ecological footprints and maintaining the world’s renewable resources (Hart, 1997).

As cited by Hart (1997), environmentalists Paul Ehrlich and Barry Commoner developed a formula to define the challenges of sustainable development. The formula is as follows: $EB = P \times A \times T$, where environmental burden (EB) is equal to the product of population (P), affluence (A), and technology (T). Thus, in order to reduce the overall environmental burden, the factors of population, affluence, and technology must be addressed. However, reducing the population is not a viable measure as it would be difficult to require all nations to limit population growth. Reducing affluence, or consumption, does not make sense either, as standard of living is inversely correlated to birth rate (Hart, 1997). That leaves the third option, technology, particularly as it pertains to creating goods, as the most viable choice of the three. In other words, the only way for

sustainable development to exist is by reducing the environmental burden (EB) through the use of technology, which falls squarely on the shoulders of companies that are developing products and the people working for them.

So what does sustainable development look like at the corporate level and what business strategies are most effective in a sustainable enterprise? At its core, sustainable development starts with business model innovation and mission transformation (Markevich, 2009). These two ideas are closely linked, in that one does not exist independent of the other. The company mission must consider fundamental questions, like whether the products and services it offers benefit social, ecological, as well as economic systems (Markevich, 2009). In addition, the company must not only market its products or services to its consumers, but also educate them as to the value of their sustainable practices and products (Hart, 1997). Moreover, the company must ask, *Does the business model have positive economic and environmental outcomes for its stakeholders?* Further, in the case of goods produced, *Is the system design optimized for both efficiency and sustainability* (Markevich, 2009)? According to Hart (1997), another way of looking at sustainable development is the idea of product stewardship. That is, the design and execution of a product should focus on minimizing all environmental impact and even incorporate such radically innovative ideas as “designing for disassembly” (Hart, 1997). Design for disassembly means that a garment is designed from creation through to dismantling, so that reuse of materials and components are considered from the outset of production (Gam et al., 2009).

In addition to the core concerns of environment, society and economy, there are concerns that are more regulatory in nature, such as compliance with government regulations, and mitigating unsustainable business practices such as waste management (Markevich, 2009). Finally, the enterprise must consider value alignment (Markevich, 2009). A company that embeds sustainability within its business model offers not only a competitive market advantage, but on a personal level it offers a value benefit for those involved with its products and services. This kind of business model can be employed in companies of any size, whether large or small. For example, Hockerts and Wustenhagen (2010) identify sustainable enterprises as either “Greening Goliaths” or “Emerging Davids.” Emerging Davids are smaller organizations with sustainability embedded in their processes. In contrast, Greening Goliaths are existing firms that react to market conditions by implementing sustainable initiatives. Emerging Davids tend to be newer firms that hold a smaller market share, compared to Greening Goliaths that are larger, older and tend to have substantial market share (Hockerts & Wustenhagen, 2010). The present study focuses on Emerging Davids, as these enterprises have developed around the idea of sustainability. As the literature in the next section illustrates, such enterprises are typically established by entrepreneurs seeking to address an opportunity afforded by the marketplace.

Entrepreneurial Opportunities and Market Imperfections

There are several different types of entrepreneurial opportunities that exist. According to Compans and McMullen (2007), there are three scholarly schools of thought regarding what constitutes entrepreneurial opportunity. The first school is the

economic school. This school of thought contends that opportunities are objective and exist “out there” in nature just waiting to be discovered. Moreover, opportunities are considered transient, whereby the early adapters benefit initially, then the opportunity is quickly replicated by others. An example of this would be Toyota, who created the first hybrid vehicle, the Prius. Several years after the launch, there are now numerous imitators.

The second school of thought is the cultural cognitive school (Comanys & McMullen, 2007). This school of thought maintains that entrepreneurial opportunities are subjective in nature, and require the entrepreneur to use his or her interpretive and social skills as well as market knowledge to exploit opportunities by imbuing them with new meanings (Comanys & McMullen, 2007). An example of this opportunity would be Tom’s Shoes. The CEO, Blake Mycoskie, created a new business model for a product everyone owns: shoes. For every pair of shoes purchased, he donates one pair of shoes to someone in need (Binkley, 2010). His highly successful business model grounded in social responsibility suggests that building an enterprise on a social issue is a very powerful means for a company to develop its name and add value to the product (Mohr & Webb, 2005).

The third school of scholarly thought surrounding entrepreneurial opportunities, according to Comanys and McMullen (2007), is the sociopolitical school. They define this school as being at the intersection of the economic and cultural cognitive schools, in that opportunities are objective in nature, but in contrast to the economic school, the emphasis is placed on the social network (much like the cultural cognitive school) versus

material resources. Thus, the network defines and drives the opportunity and the entrepreneur's ability to perceive and develop it (Companys & McMullen, 2007). In short, the sociopolitical school of thought is objective in nature, but embedded in a social network (Companys & McMullen, 2007). An example of this would be the Florentine banking industry during the Medici period. In a study conducted by Padgett and Ansell (1993), they found that the banking industry at the time was fragmented due to wars and revolution. The Medici family used this unrest to their advantage with skillful political bargaining and social networking, not only to maintain control over the banking sector but to alter governance mechanisms, or in this case, the "rules of the game," at the same time (Companys & McMullen, 2007).

The three schools defined by Companys and McMullen (2007) point to general entrepreneurial opportunities. However, with respect to sustainable entrepreneurs, an opportunity known as "radical innovation" is more likely to occur. This opportunity is characterized by the creation of completely new products and services that are "disruptive" to both consumers and manufacturers (Schaltegger & Wagner, 2011). "Disruptive" implies something that consumers have never seen or been aware of before. In the sustainability realm, a successful example is Method cleaning products (Schaltegger & Wagner, 2011). This product line "broke the mold" in its market by providing a sustainable alternative to other cleaning products widely available at the time.

According to Cohen and Winn (2007), in addition to radical innovation, there are four market imperfections that can provide opportunities specific to sustainable entrepreneurs. The first is the inefficient firm, which draws from neoclassical economic

theory. Neoclassical economic theory assumes that all firms allocate with perfect efficiency and that they primarily seek to maximize profits (Cohen & Winn, 2007). Because markets are not inherently perfect, sustainable entrepreneurs can profit by utilizing concepts like eco-efficiencies (DeSimone & Popoff, 1997; Hawken et al., 1999) whereby economic and environmental waste can be reduced (Cohen & Winn, 2007). Also known as biomimicry (Benyus, 1997), such ideas rely on processes derived from nature, particularly where one's waste can be another's food. Indeed, waste equals food is also the first of three popular tenets in McDonough and Braungart's (2002) "Cradle to Cradle" design concept, along with using current solar income (or renewable energy) and celebrating diversity (utilize local versus invasive systems). An example of a company profiting from the waste equals food concept is the Canadian company Maxim Power. Maxim Power takes methane gas from landfills and converts it to electricity that is purchased by local utility companies (Cohen & Winn, 2007). This concept can be applied in apparel manufacturing through recycling, upcycling and repurposing of garments, as well as by designing for disassembly.

Externalities comprise the second market imperfection identified by Cohen and Winn (2007). Both positive and negative externalities exist. Positive implies a benefit to a third party without incurring costs, whereas negative implies disadvantages for the third party such as incurring costs associated with production (Cohen & Winn, 2007). For example, apparel production may include pollution caused by fertilizing cotton plants and toxic run-off, which is a costly negative externality (Cohen & Winn, 2007). However, sustainable production seeks to minimize negative externalities and promote positive

ones. For example, in a study conducted by Gam et al. (2009), organic cotton fibers were used in the construction of a children's knitwear line. These fibers were grown without harmful chemicals, making re-entry into soil or water toxin-free. This is an example of a positive externality resulting from apparel production.

Flawed pricing mechanisms are the third market imperfection (Cohen & Winn, 2007). A good example of flawed pricing would be the extreme low cost of Fast Fashion apparel, which prompts companies to pay low wages, particularly in developing economies. As a result, many products are undervalued in today's market. A sustainable economic system means an appropriate monetary value would be designated for an item being priced by calculating its net worth based on its true value (Cohen & Winn, 2007). This would increase the price for undervalued items and even open the market for more sustainable ventures (Cohen & Winn, 2007). A good example of this in the apparel industry is apparel retailer www.everlane.com. Every time a product is launched, they provide an in-depth explanation as to why they charge what they do for it. In the case of their recently launched leather sandal, the company explained that the leather used (the finest Napa) along with its local, handcrafted production in Los Angeles results in the \$105 price tag.

The last market imperfection identified by Cohen and Winn (2007) is imperfectly distributed information, or "information asymmetry." Entrepreneurs can and often do take advantage of market opportunities due to information asymmetry (Cohen & Winn, 2007). For example, if consumers are unaware of unsustainable business practices, then their lack of awareness, or imperfect information has allowed for the continuation of

these business practices. Innovative entrepreneurs can address the need for awareness, and, in turn create sustainable solutions that could eventually reshape the marketplace (Cohen & Winn, 2007).

For example, the men's apparel company Flint and Tender, which started in 2012 with men's briefs, was launched using Kickstarter, the online venture capital funding web site (www.kickstarter.com). In their Kickstarter video, the owners explained how while shopping for underwear in the U.S., they realized that all the brands they found were made overseas. Their objective was to reintroduce domestic production of men's underwear. With a goal of raising \$30,000 in 30 days, they ended up instead with \$291,493 and 5,578 backers (www.kickstarter.com). Based on this overwhelming public financial support, it would appear that with more information about apparel manufacturing practices, consumers could make more informed choices.

The idea of sustainable development and its organizing principles and perspectives have been introduced, and business strategies specific to sustainable development have been explored. Entrepreneurial opportunities and market imperfections that create opportunities have also been discussed. In the next section, the two concepts are merged in a review of the literature specific to the topic of sustainable entrepreneurship.

Sustainable Entrepreneurship

Although there is a great deal of literature on entrepreneurship in general, there is relatively little that specifically examines sustainable entrepreneurship. Following the work of Schumpeter (1934) and Kirzner (1973), researchers view entrepreneurship as a

form of “creative destruction” (Schaltegger & Wagner, 2011). That is, Schumpeter defined entrepreneurial activities as a creative destruction of existing conventional production methods in lieu of superior environmental and social products and services (Schaltegger & Wagner, 2011). Yet a sustainable entrepreneur is more than just an entrepreneur. A sustainable entrepreneur is someone involved in societal transformation through the convergence of environmental, social and economic objectives (see Cohen & Winn, 2007; J. K. Hall et al., 2010; Parrish, 2010; Schaltegger & Wagner, 2011; Schlange, 2006). Increasing quality of life and reducing environmental impact are byproducts of these objectives (see Dean & McMullen, 2002; Gibbs, 2009; Matthew, 2009; Rodgers, 2010; Shepherd & Patzelt, 2011). Referred to as the “Panacea Hypothesis” (Hall et al., 2010), positive change through entrepreneurship is at the core of sustainable entrepreneurship. In other words, sustainable entrepreneurship might just be the remedy for many of the social and environmental problems that exist today (Hall et al., 2010).

According to the literature, there are four different types of sustainable entrepreneurs. The first is the “ecopreneur” (Isaak, 2002). An ecopreneur is a sustainable entrepreneur whose mission is to make the earth a more sustainable place through the use of green design and practices. For an ecopreneur, “green” means being environmentally responsible in everything he or she undertakes (Isaak, 2002). Solving environmental problems while making money are the main motivators of an ecopreneur (Schaltegger & Wagner, 2011). In contrast, the second type of sustainable entrepreneur, the social entrepreneur, is motivated to create innovation for underserved markets or

solve societal problems while creating value for society (Schaltegger & Wagner, 2011). An institutional entrepreneur, the third type of sustainable entrepreneur, strives to make institutions more sustainable, while an intrapreneur, the fourth type of sustainable entrepreneur, is someone who works within a large organization to bring about sustainable development (Schaltegger & Wagner, 2011). Regardless of type, the sustainable entrepreneur employs strategies to combine all the elements of the triple bottom line in the business model, in as much as economic, environmental and social needs are seen as equally important (Schaltegger & Wagner, 2011).

Strategies of Sustainable Entrepreneurship

Along with a definition of “what” a sustainable entrepreneur is, it is also important to consider “how” a sustainable entrepreneur achieves the goals of a sustainable enterprise. Choi and Gray’s (2008) study was one of the first to examine different companies that operate with sustainability embedded in their business models. The authors focused on management practices of twenty-one companies during key milestones in each company’s history, from the initial stages, like financing the business, all the way through to exit strategies. Choi and Gray (2008) found that most of the entrepreneurs had very little, if any relevant experience prior to starting the sustainable venture. Most had a strong desire to make a difference in the world and were not primarily motivated by making money. The majority of those in the study obtained financing through family and friends, as professional investor financing was rare.

Choi and Gray (2008) also found that shameless promoting was another common strategy, particularly when it came to the company’s values and sustainable practices. A

good example of this is the company Newman's Own, who used Paul Newman's fame as well as the fact that all the profits of the company were donated to charity to justify higher retail prices for its food products. Other companies, like Patagonia, an outdoor apparel and gear company, were built on dedication to high quality and the idea that producing garments that are made to last reduces the need for overconsumption (Choi & Gray, 2008). It is interesting to note that very few companies highlighted in the study compromised on quality, even if it meant higher associated costs (Choi & Gray, 2008). In fact, many companies in the study deliberately took measures that reduced profits, but were designed to protect the environment or improve working conditions for employees (Choi & Gray, 2008). For example, bicycle-manufacturing company Chris King moved the entire organization from Santa Barbara, CA to Portland, OR when he learned that workers could not afford to live near the company and therefore were commuting long distances. Similarly, corporate culture was of importance to most of the companies in the study. That is, they hired people who supported their mission and created a positive atmosphere with benefits and perks that far exceeded similar organizations. One company, Rhythm and Hues, an entertainment venture, even offered nine weeks of paid vacation for its staff musicians, a benefit unheard of in that industry.

Interestingly, the companies in Choi and Gray's (2008) study did not try to be all things to all people. Instead, they saw that a high-end positioning strategy was more favorable to their success, knowing that they could not compete with other organizations that had greater economies of scale. Finally, all of the companies represented in the study were aggressive in their devotion to those environmental and social factors over

which they had control. For example, Tom's of Maine used recyclable aluminum toothpaste tubes, even though they are more expensive than the non-recyclable plastic used by the majority of the market (Choi & Gray, 2008). Likewise, Eileen Fisher Apparel is one of only a handful of companies that comply with the strict Social Accountability International guidelines for its workplace standards, which ensure safe and non-exploitive workplace conditions for all employees (Choi & Gray, 2008). In a study of sustainability-driven entrepreneurship, Parrish (2010) defined five generative rules that guide the organizational design process of sustainable entrepreneurs: *resource perpetuation*, *benefit stacking*, *strategic satisficing*, *qualitative management* and *worthy contribution*. *Resource perpetuation* implies that a sustainable business does not view resources as something to exploit. Instead, it seeks to enhance and maintain the quality of those resources, whether they are human or natural, for the longest time possible (Parrish, 2010). This makes sustainable entrepreneurship different from conventional entrepreneurship, in that return on investment (ROI) is based on more than just economic factors. Resource perpetuation means that the business must remain viable not just for short-term profit, but also as a long-term model that becomes self-sustaining.

Benefit stacking is a different way of looking at day-to-day activities while keeping in mind the triple bottom line (Parrish, 2010). In a typical organization, an objective is defined, such as producing "x" number of widgets. A process that requires the least amount of cost is then developed and followed to achieve the objective. In contrast, in a sustainable enterprise the goal is to maximize the benefits through the process of achieving the objective (Parrish, 2010). In other words, the question is not

How do we produce “x” number of widgets at the lowest possible cost? but How many widgets can be developed so that the business derives the most benefits in a holistic way and from the perspective of all involved, including employees, stakeholders and the customer?

The third generative rule addressed by sustainable entrepreneurs is the principle of *strategic “satisficing.”* This means defining a “threshold of success” that is viable, fair and reasonable instead of focusing on one objective as the optimal outcome (Parrish, 2010). *Strategic satisficing* allows the sustainable entrepreneur to support positive social and environmental outcomes while remaining financially successful. A good example of this in practice is the company 7th Generation Inc. This home products company had the opportunity to expand into Wal-Mart, but instead remained focused on a smaller niche market so as not to compromise its reputation (Schaltegger & Wagner, 2011). Had the company been motivated solely by profit, the outcome would likely have been different.

Qualitative management is similar to *strategic satisficing*, in that decisions are made deliberately that favor the triple bottom line, but in this case, the determining factors relate to putting quality above quantity (Parrish, 2010). However, quality does not mean that a sustainable entrepreneur would not choose a high growth model over a limited growth one. It means that the decision to do one or the other involves considering quality first and then resource allocation and optimal scale of the enterprise over time (Parrish, 2010).

The final generative rule of organizational design developed by Parrish (2010) is *worthy contribution*. Stakeholders who are deemed more worthy would stand to benefit

more from the enterprise. Parrish found that this principle aided sustainable entrepreneurs in the selection of suppliers, employees, as well as deciding how resources are used. Symbiosis between “need” and “contribution” plays a pivotal role in determining “worthiness” (Parrish, 2010). For example, one of the companies in the study, NativeEnergy, specifically targeted projects located on Native American tribal lands. The company saw these locations as worthy of the benefits of renewable energy production because of their disenfranchisement (Parrish, 2010).

Lawrence and Phillips (2004) conducted an institutional entrepreneurship study of the whale-watching industry. Although not directly related to the apparel industry, their study has many factors that are beneficial to understand with respect to entrepreneurship in general, namely three key points: (1) local action is key and without local actors, no new networks or relationships can be formed, (2) macro-cultural discourses can shape and change the conceptualization of that institution, and (3) institutional entrepreneurship can be emergent, reactive and highly influential in shaping the field. In the case of the whale-watching community that was studied, pertaining to the first point that local action is critical, they found that the first whale-watching company spawned numerous copycats, who followed the original model closely. The imitators were less concerned with competitive advantage than mimicking an approach that was working, thus complying with already legitimate entities and reducing risk. The second point relates to cultural macro-discourses, which in the case of the whale-watching community morphed from the perception of a killer whale as a terrifying creature (*Moby Dick*) to an admired

one. The third point identifies entrepreneurs as highly emergent and quick to recognize failed strategies or changing environments and adapt to them.

In one of the few studies on the topic of sustainable apparel entrepreneurship, Pleith, Bullinger, and Hansen (2012) examined the challenges inherent in a German sustainable apparel venture called Manomama, which produces children's, women's and men's apparel. The authors identified four challenges, including (1) site and machinery, (2) suppliers, (3) staff and supporters and (4) knowledge and experience in the textile industry. Being located in Southern Germany was crucial to the success of this business, as the area is a former textile and garment production hub. The owner was able to leverage this location to purchase equipment, hire workers familiar with the machinery, and to augment expertise by consulting with a local textile museum. All of the company's suppliers are also local, with the exception of the organic cotton grown in Turkey and spun in Italy because there are no available local sources.

According to the authors, Manomama also paid wages that were higher than the industry average. Appreciation was employed strategically through transparent commissions and even affixing the sewer's name to each garment (Pleith et al., 2012). Finally, the company found many supporters and strategic partners in local universities, the nearby textile museum, retired textile workers, former textile mills who provided space, and fans on Facebook and Twitter who provided the company visibility and free advertising. Indeed, according to Gibbs (2009), sustainable entrepreneurs often promote their strategies as different from the norm through the use of web sites and other promotional material.

Although the literature provides valuable initial insight into the general rules of sustainable entrepreneurship and the challenges of sustainable apparel entrepreneurship, it does not address common strategies of sustainable apparel entrepreneurs, nor does it provide an analysis of business decisions and motivations specific to apparel manufacturing. Thus, this thesis attempts to address these gaps in the research.

Fast and Slow Fashion

In order to understand how sustainable entrepreneurship can impact apparel manufacturing, it is necessary to frame both ends of the fashion spectrum. Thus, the literature describing positive and negative attributes of Fast and Slow Fashion is discussed in the following section. Consumer response to both is also discussed in terms of the existing literature. Consideration of the pros and cons of Fast and Slow Fashion points to ways that both might contribute to sustainable business strategies within apparel manufacturing.

Benefits of Fast Fashion

There are many positive attributes provided by the Fast Fashion model. The apparel retailer Zara is a strong example of many of Fast Fashion's best practices. For example, intentionally keeping their stock in short supply prevents markdowns and entices the customer to buy at full price (Jin et al., 2011). This tactic also ensures low markdown rates at the end of the season. Indeed, Zara has some of the lowest in the apparel business, at roughly half the overall industry rate of 30% (Desai et al., 2012). Zara also boasts a 10% reduction of unsold goods while the rest of the industry remains at 15% (Desai et al., 2012), resulting in cost savings and reduced textile waste. Zara's

prices are fair, but not so low as to compromise quality. In fact, they produce the majority of their items in more costly European and North African factories rather than outsourcing to lesser expensive Asian vendors (Cachon & Swinney, 2011). More than three quarters of Zara's products can be modified mid-season, which means that the company can be responsive to real customer demand (Desai et al., 2012). They also introduce new items twice a week, which keeps their assortment fresh and continually relevant (Jin et al., 2011). Zara is able to do all of this by using worldwide trend spotters and store employees to garner real-time fashion information that is sent back to the company's approximately 300 designers who turn out 30,000 styles a year (Jin et al., 2011).

Alongside quick response to consumer demand, another area in which Zara and other similar Fast Fashion retailers excel is information technology (IT). For example, every H & M store is connected not only to its logistics and procurement departments, but also directly to the 22 production offices and the central warehouse in Germany. This enables effective communication across the supply chain for better restocking (Jin et al., 2011). In addition, information technology allows Fast Fashion retailers to closely monitor supply and demand across the supply chain, and address changing consumer tastes, thereby reducing design lead times (Cachon & Swinney, 2011). Ultimately, this helps the company avoid producing too much of something and thereby reduces overall waste.

Negative Aspects of Fast Fashion

On the downside, there are Fast Fashion retailers whose price points are far lower than Zara's. H & M, a Swedish fast fashion retailer with over 1,738 stores in 35 countries, has price points that are 30-50% lower than Zara's (Jin et al., 2011). This is also the case for one of Inditex's (Zara's parent company) other lower-priced fast fashion divisions, Bershka. Forever XXI is also well known for extremely low price points. It is rare to find an item in the store at a price higher than \$25. Such low prices create a shortened fashion cycle that leaves consumers a very limited window of opportunity to enjoy the trendiness of the item they have purchased (Jin et al., 2011).

Indeed, low prices are one of the primary negative attributes of Fast Fashion. In the short run, low prices lead to overconsumption, while in the long run they undermine quality and sustainability (Schor, 2005b). Moreover, low prices create a vicious cycle in the marketplace, a dynamic whereby the lowest cost goods necessitate the lowest wages and a single big box retailer like Wal-Mart ultimately perpetuates a cycle of poverty fueled by overconsumption (Schor, 2005b). Although this "low price and lots of it" approach might benefit U.S. consumers in the short-term, it simultaneously leads to long-term problems for the environment (Schor, 2005b). For instance, cotton production uses large amounts of pesticides and rapidly depletes the soil of its valuable nutrients. Other types of apparel and accessories use various toxic substances such as unsafe dyes, many of which have been banned in the U.S. but are still legal in developing countries that ultimately bear the weight of these externalized costs (Schor, 2005b). It is interesting to note that today the U.S. is a major exporter of textile waste materials, primarily due to the

excessive consumption of apparel. However, this was not always the case, in that prior to World War II, the U.S. was a major importer of textile waste, which was then converted into usable material (Hawley, 2006).

In addition to the negative implications of low prices for overconsumption, such as low wages and environmental damage, one of the main concerns about Fast Fashion is its lack of quality (Cline, 2012). For instance, fabric is one of the key components in a garment; therefore if the fabric quality of a garment is subpar, then all other variables matter very little (Hines, & O'Neal, 1995). Due to declining prices, fabric quality has declined over the years to the extent that it has been referred to as “the thinning of the American wardrobe” (Cline, 2012, p. 88). That is, a company will reduce the weight of a shirt from 6 ounces to 5, just to shave a little off the cost (Cline, 2012, p. 89). Lower quality fabric means less longevity, requiring greater consumption. Moreover, according to one industry executive (LB, personal communication, November 15, 2012), the average weight of a 100% cotton t-shirt at a regional dollar store was 200/220 grams (white) rib in 2010. Just two seasons later, by Spring 2011, the t-shirt was still 100% cotton but its weight dropped to a 180-gram jersey. The following fall, it was lowered to 160 grams, and the material was changed to a cotton/polyester blend. In addition, “specs were being hacked” such that the t-shirt length was shortened and other changes to quality were made simply for price considerations. Within this particular company, apparel is used as a “margin cover” for the consumable part of the business, making it difficult to maintain a reasonable markup and cut costs at the same time (LB, personal

communication November 15, 2012). In other words, something has to give when the sole objective is profit, and in the case of this t-shirt, it was quality.

It is difficult to find a garment today that is not blended with a synthetic, especially polyester. Indeed, polyester today accounts for over 40% of all manmade fiber in the world, with China producing over half of the total amount (Cline, 2012, p. 84). Along with blends, another tactic is to “disguise thin, low-grade fabrics and basic design with bright colors and prints” (Cline, 2012, p. 92). According to Cline (2012), this is one of Old Navy’s practices in particular.

In addition to fabric quality, garment construction quality has also declined, and along with it consumer knowledge about what makes for quality in garment construction (Cline, 2012, p. 87). For example, most garments used to be made with a “blind hem,” which is a labor-intensive stitch yet allows the hem to be disguised. Today the norm is the more obvious straight hem, where the seam is finished with a serger and an overlock stitch, which requires much less skill and technical expertise (Cline, 2012, p. 82).

Overseas vendors actually prefer to work with Fast Fashion companies precisely because these companies minimize the importance of fabric and garment quality, and as a result, rarely return orders (Cline, 2012). To that end, some foreign factories actually charge less for customers that they consider as “low-maintenance” (Cline, 2012, p. 116). Lower quality means faster production, where a single machine stitch is much quicker than a hand-sewn one (Lee, 2003, p. 53). Yet, for much of the industry, quality is measured by customer satisfaction. That is, if the customer does not return a garment, then it is assumed that the garment has met the required quality standard (Cline, 2012, p.

118). However, it is unlikely that a garment would be returned by a customer who plans on wearing it just a few times.

Consumer Behavior and Fast Fashion

It might seem logical that the rapid fashion cycle would prompt most consumers to dispose of a garment because it has gone out of style. However, a study by Collett (2011) found that poor garment quality was the main reason cited by participants for discarding Fast Fashion items. Participants felt that the poor quality of the garments reflected negatively on the self and appearance, specifically that these items created a disconnect between their actual and perceived selves (Collett, 2011). For participants, the most common problems experienced were due to lack of quality. The problems cited include shrinkage, holes, fading, and stretching (Collett, 2011). With respect to the short lifespan of fast fashion apparel, participants felt neutral to negative, however they also noted that the shortened life cycle would not prevent them from making future Fast Fashion purchases. As noted by Collett (2011), participants of the study were college students who tend to be more price-conscious and thus are the target market of most Fast Fashion retailers.

It is important to note that consumers engage in a sliding scale decision-making process when it comes to price. According to Trendwatching.com, a well-established global trend-forecasting firm, there are six levels to this scale. The lowest level is “Free Love,” where, as the title suggests, everything is free or given away. The second level is “Cheap Heaps” offered by companies like Costco and JetBlue. The third level is “Nofrills Chic” exemplified by retailers such as Target and H & M. “Mass Class” is the

fourth, represented by companies like Starbucks and Samsung, which was formerly middle market but has risen to affordable luxury. The fifth level is “Massclusivity,” with examples such as Coach and Bulgari (the Italian lifestyle brand) Hotels. The top tier of the sliding scale is “Uber Premium” and is affordable among only the most elite consumers. Companies that offer this level include the Maybach (an exclusive car) or Netjets (a private aircraft service).

Although Trendwatching.com did not apply the scale exclusively to apparel retailers, it is likely that many fast fashion retailers like H & M would fall into the “Cheap Heaps” category, with Zara following in the “Mass Class” category. As a particular product moves up or down the scale, so too can its overall brand image in the eyes of consumers (www.trendwatching.com). This movement can adversely affect the bottom line as consumers may choose to spend their money at the higher end of the sliding scale. For example, in a highly publicized case, Calvin Klein sued its licensee Warnaco for selling its jeans at Costco, a mass merchant in the “Cheap Heaps” category (Kapferer & Bastien, 2009). At that time, Calvin Klein’s merchandise would have been in at the “Mass Class” category. It was important enough for Calvin Klein to sue its licensee in order protect its image of quality and affordable luxury. Fast Fashion companies run the risk of being automatically associated with the “Cheap Heaps” category due to their lack of quality and low price schema (www.trendwatching.com).

The Backlash against Fast Fashion

One need only do a cursory Internet search to see that consumers are becoming more aware of alternatives to some of the more frustrating aspects of Fast Fashion. As

Fox and Chilvers (2010) state, “The hunger for a cheap Saturday night top that gets bought, worn once or twice and swiftly dumped—is fast fading” (p. 2). Even retailers are feeling the groundswell. That is, the VP of Global PR for Gap states, “It’s neither wise nor a good look to spend money on something that you’ll wear a couple of times before it falls apart or you tire of it—so that means either simple wardrobe builders or really special pieces” (Fox & Chilvers, 2010, p. 1).

Attempts to reduce excessive consumption can also be found on the Internet. Grassroots web sites like www.theuniformproject.com and www.sixitemsorless.com encourage people to minimize fashion consumption in the form of various challenges (Drennan, 2011). The Uniform Project started in 2009 as one British woman's frustration turned into a way to raise money for underprivileged children in India. She wore the same dress for one year, changing only the accessories, and, in turn, created a following among some consumers. “Six Items or Less” challenges individuals to wear only six items of clothing, not including shoes, accessories and undergarments, for one month. Similar examples in the U.S. include Kristy Powell, who started www.onedressprotest.com, and a west coast performance artist, who, in 2006, wore the same brown dress for a year (Gwilt & Rissanen, 2011). Another protest known as “The Great American Apparel Diet” (www.thegreatamericanappareldiet.com) follows along the same lines, but the challenge is not to buy *any* apparel for a whole year (excluding underwear).

In a completely different, yet related direction, Hollywood and the media are becoming proponents of sustainable fashion. In particular, Livia Firth, wife of Colin

Firth, started the “Green Carpet Challenge (GCC)” to promote sustainable fashion. She points out that “fashion is a brilliant communicator. The fashion we communicate through the GCC promotes social justice, environmental integrity and the very best in design” (www.vogue.co.uk). In addition to Livia Firth, Emma Watson is a big proponent of this move, and has collaborated with Italian apparel designer Alberta Ferretti on two collections they dubbed “Pure Threads” (www.vogue.com). Fashion magazines are also engaging in the trend, as both *Marie Claire* in the U.S. and *Vogue* UK have blogs devoted to ethical, sustainable and slow fashion, creating heightened awareness among their readers around the globe (www.marieclaire.com; www.vogue.co.uk).

Ironically, even large Fast Fashion retailers are getting involved. H & M has already launched two collections, “The Garden Collection” (2010) and “The Conscious Collection” (2011) using ecologically sound fabrics and dyes (www.marieclaire.com). In London, Marks and Spencer, the largest retailer in England, collaborated with the London College of Fashion in 2012 on the first Sustainable Fashion Lab, which they refer to as the “Shwop Lab,” a morphing of “shopping” and “swapping” (see Marks & Spencer website at social.marksandspencer.com). A consumer can bring clothing that he or she no longer uses. The Shwop Lab will help find a way to repurpose it, or donate it to Oxfam, which is an organization similar to Goodwill (Chua, 2012).

Trendwatching.com, the aforementioned global trend-forecasting firm, has coined several terms to define consumer backlash to fast fashion. They are “Recommerce,” “Eco-cycology,” “Statusphere,” and “Excusumption,” all of which have to do with

slowing down the fashion cycle through varied means, from trading to recycling to buying more responsibly. The definitions of these terms are included in Table 1.

Table 1

Consumption Terminology

| Term | Definition |
|--------------|---|
| Recommerce | The theory of “trading” versus “buying,” where consumers are “cash-strapped” and want to mitigate environmental and ethical concerns while continuing to have the maximum amount of goods and services. |
| Eco-cycology | The status boost that comes from being savvy and shopping responsibly. |
| Statusphere | A type of “recycling on steroids,” with the main concept being that companies are assisting consumers with the disposal and repurposing of products. |
| Excusumption | A combination of the above, where cash-strapped consumers seek creative solutions to spend less while still enjoying as many consumption experiences as possible. |

Source: www.trendwatching.com

According to Trendwatching.com, both “Eco-cycology” and “Recommerce” were among the top 12 consumer trends for 2012. Numerous companies are engaging in the practices described in Table 1, including Patagonia’s “Common Threads,” which has an official resale site on Ebay. Likewise, Levi’s Singapore pays consumers to bring in unwanted pairs of Levis jeans. Trade-in programs are also becoming more

commonplace. Asos, the British retailer, has gone so far as to set up their own marketplace where consumers can resell Asos clothing (www.trendwatching.com).

Another form of backlash against Fast Fashion is happening through an increasing global dialogue about the value of sustainable fashion. In May of 2012, Copenhagen hosted the second annual Fashion Summit sponsored by the Nordic Fashion Association with participation by the Nordic Initiative, Clean and Ethical project (NICE). The goal of NICE is to change the consumer's mindset about sustainable clothing because "if the fashion industry succeeds in changing the mindsets of consumers towards sustainable choices, it will have an immense impact not only on the entire industry's focus, but it will also affect other businesses" (Pasquinelli, 2012, p. 2). Achieving this goal would result in a major paradigm shift for the fashion industry because consumers would base their fashion choices on sustainability factors along with price and style.

In October of 2012 in the U.S., South by Southwest Eco (SXSWECO) held its second annual conference in Austin, Texas where the key goals were to "drive the conversation of sustainability beyond rhetoric and towards solutions" (www.sxsweco.com). In 2012, the conference attracted over 1000 attendees and in 2013 it had more than 250 speakers (www.sxsweco.com). Some of the panel topics included "Slow Fashion and Upcycling: Not a niche market" and "Sustainable Fashion: From Visibility to Viability," while the majority of speakers were from every realm of the public and private sector, as well as academia. The conference started as a spinoff of South by Southwest (SXSW), which is a music-oriented conference that has been held in Austin, Texas for a number of years. As the topic of sustainability became more and

more prevalent, organizers felt the need to separate the two into completely separate conferences, meeting at different times of the year (www.sxsweco.com). Other similar kinds of conferences are on the increase. For instance, Textileexchange.org sponsors a Sustainable Textiles Conference every year to “promote sustainable practices in the textile value chain in order to create material change, restore the environment, and enhance lives around the world” (textileexchange.org, 2012). New York’s Fashion Institute of Technology (FIT) also sponsors a sustainable conference that is in its sixth year. Clearly, the trend in sustainability is on the increase, as more opportunities are available for consumers and companies to talk about the issues.

Numerous organizations worldwide have raised the question as to what would happen if the fashion industry stays on its current Fast Fashion course. According to www.forumforthefuture.org, this scenario could play out in several ways. In a recent study conducted by Levi Strauss & Co. in the UK, four different road maps for the future were drawn out in a document called “Fashion Futures 2025: Global Scenarios for a Sustainable Fashion Industry” (Forum for the Future, 2010). First they considered how connected the world will be, where connected means a world where global cultures are more similar than different and trade barriers minimized. The second thing they considered was change, in terms of social as well as fashion change. Change was either “Fast” or “Slow,” where “Fast” includes the accelerated speed of change in media, communication, flows of financial capital and the way people live their lives. “Slow” was defined as a reversal in the current rate of high consumption, slower flow of financial capital and slower cultural changes.

Such considerations created the framework whereby four possible scenarios of the future of fashion were then developed. “Slow is Beautiful” and “Community Couture” play out in a similar fashion with slow/connected and slow/fragmented elements. “Slow is Beautiful” is the most sustainable scenario of the four, where consumers pay more for a small number of high quality garments. The world is moralistic, risk-averse and low carbon. Clothes are constructed all over the world, depending on that region’s expertise and they are repurposed after their useful life is depleted. Successful fashion businesses are highly transparent. The “Community Couture” scenario plays out a bit differently where the world is battling climate change, resources are depleted and community bonds strengthen as a result. Only the rich can afford new clothes, therefore the second-hand clothing market is vibrant. “Make do and mend” is taught in schools and nothing is wasted. People strive for self-sufficiency and anything used is resold. Successful fashion businesses are part of the local community.

The next two scenarios played out very differently. “Techno-chic” and “Patchwork Planet” explore what happens in a fast/connected and fast/fragmented environment. In the “Techno-chic” scenario, the world is extremely high tech and materialism has gone out of favor. The new mantra is “lightweight living.” Garments are made not by people, but by machines in modules, and customized for each individual via body scanners. Clothes are designed for disassembly to minimize waste. The fourth scenario, “Patchwork Planet” envisions a world that is broken into divisive economic blocks with Asia being a major powerhouse. Clothing is developed in regional factories with short supply chains so consumers can order via mobile devices. In this scenario, the

world is depicted with armed guards at 'new' clothing stores due to depleted resources, anti-western clothing bans and violent uprisings against Chinese factory owners in Southeast Asia. These scenarios may seem far-fetched in today's economy, but they are forecasted as realistic projections of what could happen in the apparel sector due to finite resources.

According to www.treehugger.com, the leading media outlet dedicated to making sustainability mainstream; there are over seven billion people in the world today. If each one owned just five articles of clothing that would total more than 35 billion articles of clothing. Most people own well over five articles of clothing, thereby making clothing disposal an issue of global concern. Sending discarded clothing to a landfill does not seem to be a reasonable option, given the enormous quantity of waste already being produced. For example, the Chinese textile industry alone creates millions of tons of mis-dyed fabric, billions of tons of soot and billions of tons of wastewater each year in the production of cotton and the manufacture of textiles (www.treehugger.com). To continue on this path unchecked will likely give rise to numerous environmental, social and economic repercussions (Gam et al., 2009). As the Levi's future projections exercise pointed out, one alternative is to slow things down.

What is Slow Fashion?

Kate Fletcher, one of the early researchers on the topic of sustainability, defined Slow Fashion as "a blatant discontinuity with the practices of today's sector; a break from the values and goals of fast fashion" (Fletcher, 2010, p. 262). More specifically, Clark (2008) another sustainability researcher, defined the parameters of Slow Fashion as

follows: (a) to value local resources and distributed economies, (b) to have transparent production systems with less distance between consumer and producer, and (c) to create more sustainable and sensorial products with both longer usable life and higher value. Each clearly indicates how Slow Fashion is distinct, or “a break” from Fast Fashion. According to Cataldi, Dickson, and Grover (2010), there are ten values that compose the value set of Slow Fashion. They are (a) seeing the big picture, (b) slowing down consumption, (c) promoting diversity, (d) respecting people, (e) acknowledging human needs, (f) building relationships, (g) resourcefulness, (h) maintaining quality, beauty and care, (i) profitability, and (j) practicing consciousness. Each relates to the idea of sustainability, or the practice of following different aspects of the triple bottom line of sustainable development.

Slow Fashion starts with “seeing the big picture.” The idea is that if one embraces Slow Fashion, one understands that everyone is part of an interconnected society, where individual choices are part of a greater system (Cataldi et al., 2010). Similar to the Gestalt theory, the whole is considered to be greater than the sum of its parts, yet each individual choice helps to create the entire system. Thus, care must be taken in how we consume. The next value is “slowing down consumption,” whereby the amount of raw materials used is reduced and natural resources are allowed to replenish themselves in a timeline that suits the environment, not one that is based on a corporation’s timing and action calendar (Cataldi et al., 2010). This slowing down should be implemented at every stage of production, from raw materials, to manufacturing, to purchasing, to disposing of products in order to fully reap all of the

inherent benefits of Slow Fashion. The third value is to promote diversity (Cataldi et al., 2010). Diversity is a key way in which the fashion industry can ensure that ecological, social and cultural needs are met, at the same time allowing a variety of businesses to co-exist, varying from large to small enterprises, second hand to handmade traditions, and co-ops to clothing swaps (Cataldi et al., 2010).

The next three values center around human resources: “respecting people,” “acknowledging human needs,” and “building relationships” (Cataldi et al., 2010). These values seem like they should be obvious to any business model, but in most cases they are not. That is, many large retailers looking to cut costs are actually transferring, or “externalizing” costs, the implications of which can be seen in Annie Leonard’s web based documentary, “The Story of Stuff” which exposed the negative impacts of a supply chain (Choinard et al., 2011). Some of the externalized costs included in the video were employment of part-time workers with no medical benefits, low wages paid by overseas suppliers, and permanent environmental damage. If a business is truly sustainable, it must take humans into account, treating them with fairness, dignity and practicing a strong code of responsibility and ethics in its day-to-day undertakings (Cataldi et al., 2010).

Resourcefulness is the seventh value, and one that can be employed on many levels. That is, a company can be resourceful with materials, but can also incorporate unique ways of conducting business that “slow down” the cycle of fashion or are more mindful of the ways in which resources are used (Cataldi et al., 2010). One example of this is “recommercing” (www.trendwatching.com), which was discussed earlier in this

chapter and pertains to trading goods and services versus buying them new.

Resourcefulness can also take into account local resources and skills to reduce environmental impact and empower communities, such as the case of Manomama in Germany (Pleith et al., 2012).

The next value, “maintaining quality, beauty and care” might also be assumed to be a part of most business models (Cataldi et al., 2010). However, some posit that most products today have been “designed for the dump” (www.thestoryofstuff.org) following the strategy of planned obsolescence. Slow Fashion encourages the opposite approach. It asks consumers to take care of what they own, repair it when necessary, and purchase an item with the idea of eventually passing it down to the next generation (Cataldi et al., 2010). In other words, purchase items that are versatile and of high quality and timeless appeal.

One may not think that “profitability” would be a key Slow Fashion value. However, it is of the utmost importance (Cataldi et al., 2010). For example, a \$10 shirt is not a good value if it can only be worn six times. Indeed, that actually equates to \$1.66 per wearing. In contrast, if one purchases a \$100 shirt handmade of the finest quality materials by a local artisan that could be worn once a month over the course of the next ten years, or 120 times, that equates to just 83 cents per wearing. Obviously, the more expensive item becomes the more economical choice (Drennan, 2011). However, consumers must be re-educated to understand the price-quality relationship when it comes to apparel.

Lastly, “practicing consciousness” implies responsible action in relation to the company, others and the environment (Cataldi et al., 2010). The idea is that if one is engaged in Slow Fashion, doing something creative within the confines of responsible behavior, the world can be impacted in a positive way. This value was employed in a study conducted by Gam et al. (2009) whereby a sustainable apparel design and production model was created that evaluated each step to ensure sustainability throughout the entire development process. The authors employed the idea of “slowing down” to develop a thoughtful design strategy, one that examines the impact of the design process every step of the way, from the perspective of sustainability. Clearly Slow Fashion offers a number of values encompassed by sustainability and sustainable development, but how successful has the concept been in practice? The next section will explore the literature on the Slow Fashion movement and its evolution over the last three decades.

A Brief History of the Slow Fashion Movement

There is some discrepancy in the literature about the exact beginnings of Slow Fashion. Part of the confusion is due to the lexicology surrounding the idea. Over the years, fashion writers have used a variety of terms interchangeably, from “green” to “eco-chic,” to “sustainable,” just to name a few. Even a recent *Financial Times* article indicated that there was “a complete lack of consensus within the industry” pertaining to the terminology (Anaya, 2010, p. 3). However, referring to the values just discussed, Slow Fashion and the sustainable/green movement mirror one another, therefore it is important to discuss the history of Slow Fashion as an overarching concept that has evolved over time.

Most agree that it was a 1990 *New York Times* article that set the stage with the headline “The Green Movement in the Fashion World” (Hochswender, 1990). This was a scant few years after the beginnings of the Slow Food movement. Throughout 1990, the popularity of “green fashion” skyrocketed. *Vogue* magazine ran its first article on this new environmental movement, designer Norma Kamali’s runway show featured t-shirts emblazoned with “Earth Children” and “Acid Rain Squad,” and British designer Katharine Hamnett spoke out on eco-related fashion at the UN (www.vogue.com).

Others maintain that the Slow Fashion movement actually started with the launch of the Esprit Ecollection in November 1991 (Thomas, 2008). The collection was groundbreaking in that it utilized all environmentally friendly components and over \$1 million was spent on research and development (www.treehugger.com). However, it would not be for another decade that the idea of “Slow Fashion” would start to gain traction. Propelled by celebrity endorsements, a few key labels were launched, such as Stella McCartney’s namesake line in 2001, Loomstate in 2004, which is dedicated to promoting organic cotton and sustainable methods of production (www.loomstate.org/about) and Edun in 2005 (a partnership between U2’s Bono, his wife Ali Hewson and Loomstate’s designer Rogan Gregory). Such efforts helped elevate consumer awareness of Slow Fashion and sustainability. What started as an environmental groundswell evolved into a solid apparel business strategy, albeit a niche one (www.vogue.com). By the end of the early 2000s, it was not just a viable business strategy, but also a profitable one that meant something (www.vogue.com). Indeed,

Bono was quoted in *Vogue* as saying “we have this idea that we’re going to make people label-aware . . . where it was made, who made it, how it’s made” (Sullivan, 2005, p. 3).

In 2007, things started to shift into high gear. More and more celebrities were taking notice and started wearing eco-fashion labels. For example, supermodel Shalom Harlow posed for the “green” apparel company from Copenhagen called Noir, and Barney’s department store in New York launched Barney’s “Green Label” for the holidays (www.vogue.com). *Women’s Wear Daily*, the fashion industry newspaper, quoted Barney’s Fashion Director at the time, Julie Gilhart, as saying “A trend is something that dies. It’s [sustainable fashion] a movement.” Portland, Oregon launched the first “all-green fashion week” and Rogan Gregory won the CFDA Fashion Awards (www.vogue.com).

Over the last five years, it seems that slow/sustainable fashion has established itself as more than just a passing industry fad. Every milestone has resulted in increased consumer awareness, to the point that collectively there is a “challenge for all of us to model and influence the overall regulating fashion system to promote balance accompanied by richness across economic, social and ecological systems as a whole” (Fletcher, 2010, p. 265). Yet the question remains as to whether consumers are really prepared to pay more for sustainable fashion.

Consumer Behavior and Slow Fashion

A study by Dickson in 2000 of consumer’s intentions to purchase from socially responsible apparel businesses revealed that consumers felt inadequately informed and confused concerning apparel industry issues, yet were also suspicious of the motives

espoused by many companies. Such findings point to the extent to which consumers are interested in issues regarding socially responsible behavior with regard to apparel. However, the study did not find that consumers used social responsibility as a criterion for purchase intention (Dickson, 2000).

It is important to note that Dickson's study was more than a decade ago. In 2014 we are starting to see consumers change the way they buy clothes. Whether through economic necessity or environmental concern, more consumers are "slowing down" the fashion cycle through buying second hand. According to the National Association of Resale and Thrift Shops (NARTS), consignment, thrift and resale shops have grown by 7% per year for the last two years, and Goodwill Industries alone had 3.2 billion dollars in sales during 2012, a same-store sales increase of 8.7% over the previous year (Goodwill Industries, 2013). There are several major corporations dedicated to second-hand, from Buffalo Exchange, to Crossroads Trading Co., to Plato's Closet. To illustrate just how strong this market is, Plato's boasts over 350 franchises in 2011, up from 30 in 2002. Its parent corporation, Winmark, offers four different retail resale concepts including Plato's Closet, Once Upon a Child, Clothes Mentor and Play It Again Sports, operating a total of 903 locations in the U.S., and annual sales of one million dollars is typical for these stores (Winkle, 2011). In comparison, according to the NPD group, total apparel sales in the U.S. were approximately \$192 million (Winkle, 2011). It appears that the resale market is having an increasing impact on consumer spending.

However, in an interesting twist, a study conducted by Ha-Brookshire and Hodges (2009) found that contrary to popular belief, the primary motivation for used clothing

donation behavior is the need to create more closet space and alleviate guilt due to overconsumption and little worn items taking up that closet space. In the qualitative study conducted, none of the participants mentioned socially responsible behavior as a motivation for used clothing donation behavior. Very little research is available on the topic of second-hand clothing *purchase*. One qualitative study conducted in Europe found that there were four motives related to second-hand clothing purchase. They are (a) desire for uniqueness, (b) paying less for branded items, (c) nostalgic imagery or sustaining a past culture, and (d) ethical concerns about the environment and social impact of overconsumption (Hogg & Banister, 2006).

Ebay and Craigslist.org are two online retailers that are reaping the rewards of the slowing down of fashion. Ebay sells everything from apparel to cars on its primarily auction-only web site, while Craigslist.org is set up like an online “garage sale” for all types of products and services. Ebay’s revenue in the fourth quarter of 2011 was \$3.38 billion dollars, up 35% from the same quarter of the previous year (Businesswire, 2012). Because its members buy and sell both on and offline, there are no available revenue figures for Craigslist. However, Craigslist gets a staggering 50 billion page hits each month and over 60 million Americans use the site each year (Craigslist.org, 2012). As with brick and mortar second-hand options, these numbers support broadening consumption trends along with interest in slowing down fashion among consumers. Another extremely successful online site whose mission is to slow down fashion is Etsy. Indeed, Etsy’s mission statement reads like the definition of Slow Fashion:

Our mission is to empower people to change the way the global economy works. We see a world in which very-very small businesses have much-much more sway in shaping the economy, local living economies are thriving everywhere, and people value authorship and provenance as much as price and convenience. We are bringing heart to commerce and making the world more fair, more sustainable, and more fun. (www.etsy.com)

Etsy's annual sales figures for 2012 were \$895.1 million, up from \$525.6 million in 2011 (www.etsy.com). In August 2013, the site listed over eighteen million items, garnered over 1.5 billion monthly page views, and generated over twenty-five million members (www.etsy.com). These figures give credence to the idea that slower fashion can be successful on a large scale. Although such figures may be relatively small in comparison to sales of the entire apparel industry, such examples suggest that the prevailing hegemony of overconsumption is being challenged with the help of the Internet (Scaturro, 2008).

Negative Aspects of Slow Fashion

Although the negative aspects of Slow Fashion are few, the primary drawback of Slow Fashion for consumers and the industry at large is price. It is difficult for manufacturers and retailers to charge the "real" cost of an apparel item. Likewise, consumers feel that the biggest hindrance to widespread acceptance of Slow Fashion is economic (Pookulangara & Shephard, 2013). In a recent study of consumer attitudes toward sustainable fashion, Pookulangara and Shephard (2013) conducted focus groups with college students at two southwestern universities and found that although participants agreed that Slow Fashion had positive attributes like quality and ethical production, they cited price as the key reason for negative purchase intention.

Respondents also indicated that because Slow Fashion garments are generally more classic in style rather than fashion forward, they felt that Slow Fashion was more suited to consumers of older generations. Respondents also indicated a lack of knowledge regarding Slow Fashion that prevents them from making an informed purchase decision. Respondents agreed that if companies aggressively marketed their products and educated their consumers as to the benefits of Slow Fashion, it is likely they would be more successful among younger consumers (Pookulangara & Shephard, 2013). Based on this study, it would appear that manufacturers and retailers need to address the “knowledge gap” in order to fulfill the needs of potential sustainable customers.

Sustainable Development and Apparel Manufacturing: Exploring Hybrid Approaches

As pointed out earlier, research on the topic of sustainable entrepreneurship is sparse. Rodgers (2010) and Matthew (2009) conducted case studies of small and medium enterprises (SMEs) in the UK and Oman respectively. Rodgers focused on a group of ecopreneurs with just one apparel company represented, and the Matthew study examined a water company. Rodgers’s study in particular offered several key insights with possible relevance to this thesis. For example, the sustainable entrepreneurs in the study were found to share several things in common: (a) each embraced an entrepreneurial perspective guided by ethics; (b) all were experts not just in the chosen field, but also in environmental issues; (c) each launched the company with a great deal of business acumen, or general know-how; (d) the risk tolerance of the businesses was higher than comparable non-sustainable versions; and (e) all faced the key challenge of how to educate their market. Ultimately, Rodgers found that the business model of a sustainable

enterprise differed from a traditional one, in that the focus was less on the quantity of growth, but on growth quality, including the impact of growth on stakeholders (Rodgers, 2010).

There is also very little research available on what sustainable entrepreneurship means for apparel production, as discussed earlier. Specifically, the research that does exist is quite recent. Gam et al. (2009) created the first Cradle-to-Cradle Apparel Design (C2CAD) production model based on the work of McDonough and Braungart (2002). Gam and her team developed a children's knitwear line integrating sustainable criteria into an existing apparel manufacturing model through a series of steps, starting with problem definition and research, to sample making, solution development and collaboration, and ending with production. In evaluating the model, the authors found that associated costs were reduced compared to traditional methods, the performance of the products was found acceptable for the target market and long term economic, social and environmental positive benefits were projected (Gam et al., 2009).

Abraham's (2011) research on the apparel aftermarket in India proposed the use of "reverse logistics," which she defined as "the process of collecting used products and materials from first customers in order that they be reused, recycled, or upcycled into other products" (p. 211). Similarly, Ho and Choi (2012) explored a "Five-R" analysis in Hong Kong, noting Etsy and Winston's (2009) definition of the Five-R framework: "recycle, reuse, reduce, re-design and re-imagine" (p. 162). The authors, however, extended the idea further to include "re-wear, re-style, replace and rewards" for companies to use as a guide to incorporate more sustainability in their day-to-day

practices and to create a closed loop supply chain, or one that is designed with the full life cycle of the garment in mind (Ho & Choi, 2012). Ho and Choi refer to this as a process of green supply chain management (GSCM), and break this process down into four factors: social well-being, environmental stewardship, economic prosperity, and governance, all of which are dictated by the triple bottom line of economic, social and environmental concerns.

Niinimaki and Hassi (2011) explored alternative design strategies for apparel companies in Finland. The authors used a questionnaire to survey Finnish shoppers about their interest in sustainable apparel. Based on the findings, they suggested the following strategies for a more sustainable apparel enterprise: (a) long life guarantee and more product satisfaction; (b) more product attachment and emotionally satisfying design; (c) customization/mass customization, halfway products (products that are co-designed by the company and the consumer, like a kit) and modular structures (such as detachable parts on a garment); (d) co-creation and open source design (where the consumer implements the final design or purchases a pattern); (e) offer services versus products; and (f) offer design services.

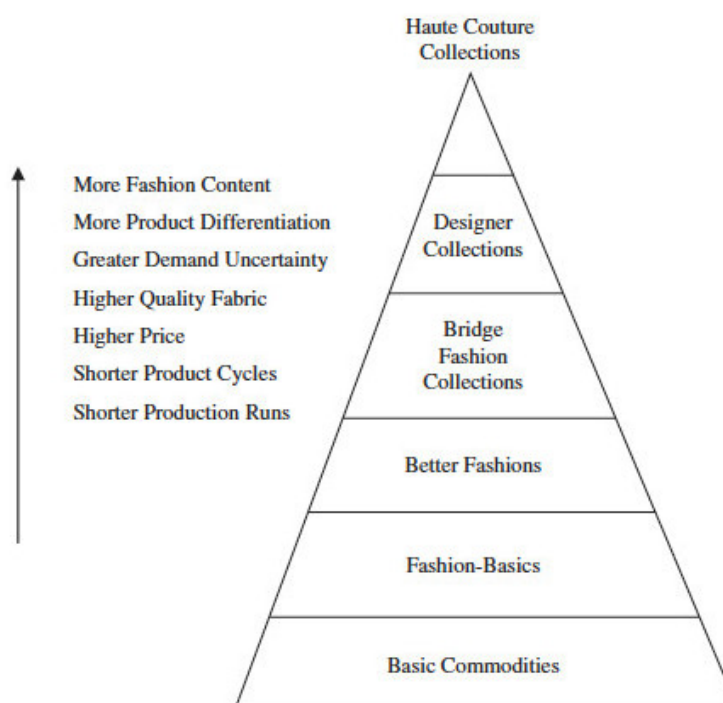
The authors also found that the short life of textiles was a major concern for consumers, therefore they suggested offering more intrinsic value through educating consumers as to the life of the product, such as how many washes the garment can handle and still look good (Niinimaki & Hassi, 2011). Moreover, the authors suggest that when garments are customized, co-created or open sourced, there is more long-term value for

the customer. Items that are purchased as kits (halfway products) can also establish a stronger connection with the consumer (Niinimaki & Hassi, 2011).

Another approach to more sustainable apparel production identified by the Niinimaki and Hassi (2011) study was an increased use in services versus products. An example of this in the U.S. is www.bagborroworsteal.com, where consumers purchase the use of a high-end designer bag for a specific period of time, and then return it to the company. Likewise, the authors suggest that renting or leasing apparel is a potential growth area, yet one that will require a reduction in manufacturing systems (Niinimaki & Hassi, 2011).

To date, Desai et al. (2012) are the only researchers who have specifically aimed to analyze a hybrid Fast/Slow Fashion apparel production model. Their research focused on three main cost components of apparel manufacturing specifically relative to producing men's trousers: materials, labor, and transportation. Although the authors did not focus on Slow Fashion benefits per se, they found that a hybrid system of localized, quick response production in the U.S. could be more profitable than offshore production in low-cost-labor countries, comparing it to processes similar to those employed by European retailers. Desai et al. (2012) supported the notion that alternative production methods could augment U.S. manufacturing by increasing local jobs, productivity and brand security. Specifically, their research suggests that a modified Fast Fashion business model would be a natural fit for domestic production in developed countries like the U.S., where time-sensitive fashion products could be produced in small batches.

As depicted in Figure 4, there is a definitive structure and organizational relationship within the apparel supply chain that varies according to the type of product being produced. Specifically, at the bottom of the pyramid are the basic commodities (like underwear and socks). Upward movement sees descending quantities going from fashion basics, to better fashions, to bridge, designer, and finally haute couture collections at the apex. As products move up the pyramid, the designs and fabrics become more and more differentiated, the markets for those products become smaller and more specialized, and the demand is less price sensitive (Doeringer & Crean, 2006).



Source: Doeringer and Crean (2006)

Figure 4. The Fashion Pyramid.

Unlike a “just in time” system that is best suited to fashion commodities and basics, the highly adaptable fast fashion business model fits anywhere on the fashion

pyramid, as it ranges from basic to designer styles (Desai et al., 2012). However, according to the researchers, the Fast Fashion model would be most beneficial to higher-end product categories, specifically the “better” and “bridge” categories (Desai et al., 2012). It is important to note that the Desai et al. (2012) study was limited in that it developed a model only for men’s trousers to identify Fast Fashion’s comparative advantages. In addition, the authors’ primary concern in the study was whether the U.S. could find opportunities for domestic production that would include both high quality and responsibly made production.

Admittedly, the studies discussed here only scratch the surface of the topic of sustainable apparel entrepreneurship. Much more research is needed to shed light not only on the topic of sustainable apparel entrepreneurship, but alternative business models and methods that would serve to advance the field. In particular, the studies that are available on the topic do not examine motivations of sustainable apparel entrepreneurs and how these motivations create a business model that differs from traditional apparel companies. There may be practices that sustainable apparel companies utilize that could be applied on a broader scale throughout the industry. This study explores how the dichotomous elements of Fast and Slow Fashion may be merged into a hybridized apparel production model that addresses the ‘triple bottom line’ of economy, environment and societal needs.

Summary

This chapter provided an overview of literature on the topic of sustainable development and its relationship to sustainable entrepreneurship. Based on the literature,

issues and concepts important to “Fast” and “Slow” Fashion were identified and examined relative to the notion of a hybrid apparel production model that combines the two within a framework of sustainability. The next chapter will outline the methodology and present the research methods, participant sample and approach to data analysis employed in this thesis.

CHAPTER III

METHODOLOGY

This chapter includes a description of the qualitative methodology that was used to conduct this study. Details regarding research methods, sample selection and data analysis procedures are included.

Purpose and Objectives

The goal of this thesis is to explore the role of sustainable entrepreneurship within the apparel-manufacturing sector. To date, there is only a small body of research on sustainable entrepreneurship and even less on the topic specific to apparel manufacturing. To address these gaps, four research objectives were developed: (a) to identify the motivations of sustainable entrepreneurs within apparel manufacturing; (b) to examine the decision-making of sustainable entrepreneurs relative to apparel manufacturing; (c) to investigate the business models used by sustainable entrepreneurs in the apparel manufacturing process; and (d) to explore the significance of these models for the future of the U.S. industry, particularly domestic apparel manufacturing. As discussed in Chapter II, principles of sustainable development and sustainable entrepreneurship were explored relative to apparel manufacturing and elements of “Fast” and “Slow” Fashion within hybrid approaches to apparel manufacturing were examined.

Research Methods

Because there is very little known on the topic of sustainable entrepreneurship within the apparel industry, this study takes a qualitative approach to the topic. Qualitative methods are used to provide a rich description of the phenomenon in order to gain a deep understanding of the activities, processes and motivations pertaining to it (Hodges, 2011). In this study, three specific qualitative methods are employed: case study, in-depth interviews and observation. The case study method allows for the identification of processes and practices specific to selected sustainable entrepreneurs. The interview method allows for the perspective of selected entrepreneurs to inform the overall understanding of the phenomenon. Thus, interviews with sustainable entrepreneurs shed light on their particular practices and the application of these practices to the apparel manufacturing process. Observation, both on and off-line, allows me to take into account the broader context in which these practices operate. Each method is discussed in turn below.

Case Study Method

This thesis employs a case study approach to better understand sustainable entrepreneurs and their businesses. A case study is a research strategy that attempts to understand a contemporary phenomenon in its natural setting and it is particularly effective when asking “how” and “why” questions (Yin, 1981). A case study is intrinsically bounded, and by concentrating on a specific entity (the case), the aim is to uncover the particular elements that are characteristic of the phenomenon (Merriam, 1998, p. 29). Qualitative case studies are comprised of three defining features, they are:

particularistic, descriptive and heuristic (Merriam, 1998, p. 29). Particularistic refers to a focus on how the particular nature of the case illuminates a broader issue, or in the case of this thesis, sustainable entrepreneurship within the apparel sector. A fine-tuned focus allows for concentrated attention to questions, situations and people from a holistic point of view. The particularistic nature of the case study can illustrate what to do or not do in a particular situation as it sheds light on the phenomenon (Merriam, 1998, p. 30). For example, a sustainable entrepreneur may choose to seek out and use localized production for their apparel versus overseas production, as was the case with Manomama, the German company discussed in Chapter II (Pleith et al., 2012). The case study sheds light on practices employed by sustainable apparel entrepreneurs that may be critical facets of their business models.

Descriptive refers to the final outcome of the case, which is generally a thick description of the phenomenon being examined. In other words, the case presents the phenomenon through documentation, conversations and interpretation of objectives made during the period of study. A case can highlight the influence of individuals in a given situation, illustrate complexities of some issue with regard to differing opinions, and present information from various perspectives (Merriam, 1998, pp. 30–31). In this thesis, specific processes used by sustainable apparel entrepreneurs are discussed relative to how they translate to large-scale apparel enterprises. Further, by examining and defining the particular “Slow” and “Fast” processes that these organizations use, variations of a hybrid business model are presented as having implications for a broader audience, i.e., apparel manufacturing in the U.S.

Heuristic refers to the new meanings about the phenomenon that are revealed through the case (Merriam, 1998, p. 30). This can include explaining what works and what does not work within an organization, reasons for decision-making as well as explanations for problems and resolutions utilized. Heuristics also serve to evaluate, summarize and theorize on the potential applicability of the findings of the case. As it relates to this thesis, heuristics uncover unique ideas and approaches that sustainable apparel entrepreneurs use to run their businesses successfully. In addition, it sheds light on those processes they choose *not* to use and why, which have implications for the apparel-manufacturing sector as a whole.

Finally, the case study method is especially valuable when one seeks to understand a phenomenon as a process (Merriam, 1998, p. 33). This study will monitor situations in context with the goal of uncovering elements of the apparel manufacturing process specific to sustainable apparel entrepreneurs that might have relevance on a broader scale. For example, sustainable entrepreneurs might *add* extra steps to their business processes that give them a competitive advantage. Further, the goal is to provide thematic analysis and interpretation in an informative way to a larger audience as case studies can “directly influence policy, practice and future research” (Merriam, 1998, p. 19).

Interview Method

The interview method is the most direct way to obtain specific information from participants of a study in their own words, and for this reason, can be defined as a conversation with a purpose (Dexter, 1970; Merriam, 1998). It is also the essential

source of case study information because most case studies concern human affairs and behavioral events (Yin, 2009). Interviews provide insights into these affairs and events from the perspective of individuals who directly experience them, and therefore provide a deeper understanding of the phenomenon (Yin, 2009).

The purpose of conducting an interview is *not* to interject preconceived thoughts or opinions of the interviewer onto the interviewee, but to allow the perspectives of those being interviewed to emerge (Patton, 1982). The goal of multiple case study interviews is analogous to a detective solving crimes (Yin, 1981). The detective gathers information from several informants to develop a theory for a single crime. Now the detective finds another case where the facts and relevant conditions are similar to the first case, and the detective may be able to use the first crime to establish that the same person committed both crimes. It is similar with case study interviews in that the researcher (a) constructs an adequate explanation for each case, and then (b) discovers what is analogous as subsequent cases are encountered (Yin, 1981).

I interviewed the owners of each company, as well as others whose perspectives assist in shedding light on the phenomenon of sustainable entrepreneurship. Interviews began with a focus on the participant's description of the firm's historical development since its inception as well as the individual's background. An example of a question in this section is "*Tell me about your background prior to starting the current business.*" The second section hones in on the startup phase of the business, followed by what the business does, the relevance of innovation and value creation from a sustainable point of view and their entrepreneurial mindset, i.e., behavior. An example of a question in the

section is “*Why did you start the business and what were the motivating factors?*” The last portion focuses on what the participants think (beliefs) and feel (attitudes) about being a sustainable entrepreneur (Merriam, 1998, p. 76). An example of a question in this section is “*What role did your beliefs play in your decision to become a sustainable entrepreneur?*” The final section of the interview, or “Wrap Up,” offered an opportunity for the participant to add or discuss anything we had not covered (see Appendix A: Interview Schedule).

With consent from the participants, all interviews were audio recorded and took place during a four-month period (see Appendix B: Consent Forms). One to two interviews were conducted with a total of six companies. In-depth, semi-structured interviews were conducted with all company CEOs/founders in order for a rich, thorough perspective of each organization to be developed.

Observation

Observation is a key method in qualitative research. This method differs from the interview method in that observation data encompass a firsthand encounter with the subject, or phenomenon being studied (Merriam, 1998, p. 94). At any given time, observation is a normal part of everyday life. However, in the context of research, it becomes deliberate, systematic and subject to checks of reliability (Merriam, 1998, p. 95). An outside observer (i.e., the researcher) may notice things that the participants consider routine and perhaps unimportant, yet are necessary for creating a deeper understanding of the phenomenon (Merriam, 1998, p. 96). Moreover, there are topics that participants may not want to broach in an interview that might become apparent with

observation, such as dissension within a corporation. All relevant behavior and environmental conditions being observed can serve as additional sources of evidence for the case study (Yin, 2009).

In addition to face-to-face observation, netnography, or ethnography of the Internet is a viable qualitative research methodology that examines web site content to observe online behavior (Kozinets, 2002). Netnographic observation provides “a window into naturally occurring behavior” of communication from an organization to its market (Kozinets, 2002, p. 62).

For the purpose of this thesis, I utilized the observation method in both online and offline contexts. Offline, I observed participants in their natural settings, e.g. offices, warehouses and factories to define the physical setting of each organization, interactions observed within each organization, as well as non-verbal communication cues like dress and physical office space and other subtle factors like informal activities that took place during my planned visits to each company. These observations occurred before, during and after the interviews at each location. Further, I had the opportunity to tour various facilities, like fabric mills, processing plants, retail spaces and communal workshop areas to deepen the level of understanding with regard to sustainable apparel manufacturing processes. To record my observations, I used field notes that include, but were not limited to, descriptions of the setting, people and activities, direct quotations and comments (Merriam, 1998, p. 106).

In addition to the observations of the physical location, I employed netnographic observation of each company’s publicly available social media sites, including, but not

limited to Facebook pages, blogs and Twitter accounts. Specifically, I looked for how the companies incorporate sustainability into their social media presence and how this concept pertains to their business models. For example, I observed such factors as how the company uses a web blog to communicate sustainability practices to its customer base, or if they promote other sustainable partners they work with through their web site or Twitter accounts. Netnographic data were collected over a period of four weeks for each organization.

Sample Selection

A total of six companies were included in order to better understand sustainable entrepreneurs and their businesses. As seen in Table 2, in-depth interviews were conducted with a total of nine participants, including three females and six males. Interviews ranged in length from one to three hours, for a total of eleven and a half hours of recorded audio. Most interviews were conducted at the company headquarters, except for two, as these companies had not yet established an independent business location.

Companies were selected based on three main criteria: (a) the class of enterprise, (b) the performance level of the enterprise, and (c) similar operating contexts among enterprises (Parrish, 2010). Criterion number one, the class of enterprise is identified by economic, ecological and societal/ethical purposes embedded in the company's activities, i.e., the triple bottom line (Parrish, 2010). Schlange (2006) proposed the criteria identified in Table 3 as fundamental aspects of sustainable entrepreneur ventures organized into categories that mimic the triple bottom line, which he further divided into economic, ecological and social/ethical factors. For example, regarding economic

factors, a sustainable orientation should be an integral part of the company's value system. With regard to ecological factors, the company uses environmentally sound processes and seeks to minimize waste. With regard to social/ethical factors, the company offers a safe working environment, fair wages and transparent communication. In selecting the companies included in this thesis, Schlange's criteria were followed in order to ensure that the sample provided both depth and breadth to the exploration of sustainable entrepreneurs in apparel manufacturing.

Table 2

Companies Included in the Study

| Company Name | Year Founded | Product Type | # of Employees | Interviewee Name/Title |
|---------------------|---------------------|--|-----------------------|--|
| Alabama Chanin | 2006 | Custom Womenswear | 24 | Natalie Chanin Founder/President Olivia Sherif Creative Director |
| Collared Greens | 2011 | Mens Apparel & Accessories | 8 | Randy Ashton, Founder/CEO |
| Lumina Clothing | 2011 | Mens Apparel & Accessories | 5 | Barton Strawn, Founder/CEO |
| TS Designs | 1977 | Unisex T-Shirts | 21 | Eric Henry, President |
| Ole Mason Jar | 2013 | Mens Apparel & Accessories | 2 | Bradley Rhyne & Filippe Ho, Co-founders |
| Appalatch | 2013 | Mens/Womens Woolen Apparel & Accessories | 2 | Mariano DeGuzman & Grace Gouin, Co-founders |

Table 3

Criteria Used to Select Companies

| Area | Indicators | Description of Criteria |
|----------------|----------------------|--|
| Economy | Procurement | Use of input factors from regional suppliers |
| | Persistence | Clear perspective for company development in the long term |
| | Growth Potential | Economic growth objectives, investment and innovation orientation |
| | Mission | Sustainability orientation is an integral part of company value system |
| | Identification | Employees share a common understanding of sustainability objectives |
| | Cooperation | Lasting relationships with local and regional partners support credibility |
| Area | Indicators | Description of Criteria |
| Ecology | Transport | Use of ecologically sound transport systems |
| | Energy | Alternative sources of energy and efficient use of energy consumed |
| | Residuals | Minimizing resource throughput, avoidance of residual/waste materials |
| | Emissions | Minimizing emission levels, exclusion of toxicity |
| | Production Process | Methods of production management are environmentally sound |
| | Product | Adoption of ecological product life cycle perspective |
| Society/Ethics | Equality of Rights | Addressing gender and generation issues, jobs for handicapped people |
| | Participation | Shared establishing of business objectives, support community activities |
| | Personnel | Active development of employees' competences, fair rewarding schemes |
| | Workplace | Offering safe and hazard free jobs, health programs for employees |
| | Regional Integration | Exchange with regional economy and local/regional cultural activities |
| | Communication | Honest and transparent information about business activities |

Source: Schlange, 2006

In addition to meeting the case criteria of economic, ecological and social/ethical factors, each company is either stable or in a growth period, rather than decline or financial distress (Criterion number two). Each is old enough to be successful, but young enough that the founders are still involved in the day-to-day business activities (Parrish, 2010; Schlange, 2006). In the interest of limiting variation in conditions (Criterion number three), companies were selected that exhibit similarities in terms of the following factors: operating domain (apparel manufacturing), geographic locale (the Southeast), and scale (under \$5 million annual sales). According to Eisenhardt (1989), there is no “magic” number of companies in case study research. However, between four and ten examples allow for the generation of insight and theory development (Eisenhardt, 1989). Moreover, a small sample size in a qualitative study is expected, as the goal is saturation rather than representation in as much as the aim of a qualitative study is not to generalize or to predict, but to understand (Hodges, 2011).

Data Analysis

Once all of the data were collected, interviews and field notes were then transcribed verbatim. A summary of findings was distributed to participants to provide the opportunity for feedback regarding interpretation of the data. Known as “member checks” (Belk, Sherry, & Wallendorf, 1988; Lincoln & Guba, 1985), such feedback from participants permits a more thorough interpretation of findings and provides greater credibility for the study. Those participants who responded offered several corrections and suggestions which were then made accordingly.

A brief synopsis of each company was developed. These synopses were then used to form the basis of a cross-company analysis. Field notes and interview transcriptions were analyzed for similarities and differences across the companies, culminating in a thematic interpretation (Belk et al., 1988; Spiggle, 1994). Themes were developed to address gaps identified in the literature, as well as the purpose and objectives of the study.

Summary

This chapter presented the methodology that was used in the study as well as the justification for the research methods used and participant sample selection. Data analysis and interpretation procedures were also discussed. In the next chapter a brief description of each of the six companies is provided.

CHAPTER IV

COMPANY PROFILES

The following chapter is divided into sections based on company profiles. Each profile provides information about the type of products sold by the company, its organizational structure, location, and length of time in operation. This is followed by a discussion of the company's approach to sustainability, the type of information that is available about this approach via the web and/or social media, and the company's future plans for corporate growth and expansion. Actual company names are used with permission of the participants as primary business owners.

Alabama Chanin

Natalie Chanin founded Alabama Chanin in 2006. The company produces high-end women's apparel, specifically hand-embroidered garments made from organic cotton knit. The company emerged when Natalie was looking for a new venture after working for and overseeing several other successful fashion companies. Natalie, aged 52, is the owner and President of the company, which is based in Florence, Alabama. She was the primary interviewee over the course of a sewing workshop that I attended in Alabama, held at the company in a large, 3,000 square foot facility that was undergoing further expansion during my visit. According to Alabama Chanin's Creative Director, Olivia Sherif, who was also interviewed during the course of the workshop, the location is the

former home of the largest t-shirt manufacturer in the world, TJ's Tee Shirts, and the building is still owned by the man who started the company.

Currently, the Alabama Chanin web site (www.alabamachanin.com) offers garments for sale that are made to order using the lean manufacturing method. It includes the following statement:

100% lean. We use lean method manufacturing, meaning that we make your piece for you upon order. Eliminating unwanted stock is just one of the ways we reduce our environmental impact. Allow three weeks for delivery, as your garment will be cut, painted, and sewn especially for you by one of our talented artisans.

Alabama Chanin sells its garments on its company web site. Products for sale include cotton and denim apparel and accessories, home products such as tea towels, cocktail napkins, pillows and quilts. Prices range from \$98 for a basic A. Chanin racerback tank top, to over \$3,500 for a hand-embroidered long skirt. Also available are items from other US companies and collaborators, such as books, ceramics, and southern-made food products such as biscuit mix, salted caramels and cocktail mixers. From the web site, customers can also sign up for various sewing workshops, which are held on the factory premises, as well as at locations all over the United States, including Blackberry Farm in Tennessee and The Edible Schoolyard in Berkeley, California. Costs range from \$185 for a two-hour workshop and tea, to \$3,000 for a weeklong workshop at the company's headquarters. Chanin offered her reasons for holding the workshops:

Doing the workshops here, it helps pay the insurance. It helps pay, like all the other things that we do . . . we're really grateful that ya'll are here and know that by coming here and learning these things, you're also supporting our artisans in

the field and the sewers in the back and all this goes into one big pot and helps support the other. You know, our business is built on a, we call it sort of holistic, and when I was writing about this, I wrote it with a 'W,' 'wholistic', it's one of those words like 'authentic', that, you know, you don't really know what that means anymore today, but we built the business in a way that one part of the business fuels other parts of the business.

According to Olivia, who provided a tour of the facility, there are currently 24 employees, an increase from just 4 employees in 2010, the year she started with the company. In addition to its full time employees, the company supports a local cottage industry of approximately 30 hand sewers. Each one of the female sewers is an independent business owner who bids on an individual project. Once someone wins the bid, she must then purchase the raw materials from Alabama Chanin, and return the finished garment(s) by the agreed upon time date, which is then sold back to Alabama Chanin. According to Chanin, this makes them more of a vendor than a contractor. That is, Alabama Chanin does not set the prices for the raw material kits, or pay by the hour, to avoid having the sewers become company employees in the eyes of the Department of Labor. According to Chanin, the company went through a two-year investigation and this process was a result of modifications made to the business structure.

Alabama Chanin's mission statement clearly reflects an emphasis on sustainability, particularly regarding the triple bottom line of environment, society and economy (i.e., people, planet and profit). Several key points that comprise the company's mission statement tie in directly to the triple bottom line, including (a) to share the company's commitment to good, clean and fair work and life, (b) to responsibly produce and sell products and experiences that enrich life, community and planet, and (c) to

provide abundant fiscal rewards to ourselves and our community. The company's mission statement firmly defines its business strategy as sustainable, stating that it seeks to provide products that reflect "thoughtful design, responsible production, good business and quality that lasts." This ties in directly with Schlange's (2006) fundamental aspects of a sustainable venture, particularly with regard to its mission statement being oriented towards sustainability.

In addition to its mission statement, the company seeks to provide sustainable practices in the industry at large and profiles such efforts on its web site, including the launch of carbon neutral shipping by UPS (www.alabamachanin.com/journal/2013/10/) which also reflects Schlange's (2006) criteria. They also promote local businesses, like food purveyors, such as Alabama cheese maker Belle Chevre. Links to Chevre's web site are provided so that Chanin's customers can access products from similar sites, such as a do-it-yourself cheese-making kit (www.alabamachanin.com/journal/2013/10/). Industry-related award information is also included, such as the \$75,000 CFDA Eco-Fashion Challenge Award that the company received in honor of its sustainable practices, including creating local jobs and its focus on Made in the USA production.

When I visited their facility in September of 2013, the company had just started a new division of machine-sewn clothing called "A. Chanin." According to Olivia, the line will be sold at a lower price point than its main line, but follows Chanin's business model of not outsourcing and instead providing manufacturing jobs for the community. They were also getting ready to open up a café and community gathering place located at the

company's headquarters in keeping with their mission statement to "enrich life, community and planet."

Collared Greens

The idea for Collared Greens came about in 2006, when founder Randy Ashton was living in Sun Valley, Idaho. Ashton was working in the outdoor photography industry and had published two photography books when he came up with the idea for an apparel company. As Ashton explained,

They were both photography, photography books, yeah, that's what gave me the [idea], the second book is the book that kind of, I was working on when the whole idea kind of hatched in my head. A clothing brand for sure, that represented, to raise some money for the environment and represented American made.

Ashton then went on to describe how the company was actually started:

We did it in Idaho, and it was an unbelievable learning experience, I mean, for someone who has no experience, like, talk about, as entrepreneurial as it gets, which I don't even like using that word...but I mean, we just bought seven sewing machines. We had one sewer who knew how to sew, and faith and confidence that he would find his buddies and teach them how to sew, and we made polo shirts that way.

The company relocated from Idaho to High Point, NC in March 2010 due to the high cost of shipping from the West, as well as the fact that most of their retailers are located on the East Coast.

Collared Greens was officially founded in 2011. The company's products are sold in approximately 200 retailers in the U.S., and it currently employs a staff of six at its headquarters, as well as two additional employees at its flagship retail store that

opened in Richmond, Virginia in September 2013. Customers can also purchase products such as men's and boy's bow ties, neckties, polo shirts, tee shirts, and other accessories like belts, hats, and cummerbund sets on the company's web site (collaredgreens.com). Price points range from \$35 for a pocket square to \$125 for a cummerbund set. Collared Greens also provides customized products for special occasions like weddings.

Sustainability is crucially important to the company. As mentioned above, two of its key purposes are to raise money for the environment and provide American made clothing and accessories to the marketplace. How and where funds are donated is information that can be found on the company's web site. One percent of the company's profits are given to One Percent for the Planet, and another one percent is distributed to three different conservationists each year to support various environmental causes. One of the benefactors listed on their web site is NativeEnergy, which is an organization that helps build clean and renewable energy to ultimately reduce carbon output on Native American land. As the founder stated regarding the triple bottom line:

If this generation, when they're starting business and all the entrepreneurs, if they just kind of include that in the bottom line, you know, and I think that's the key is just to start from ground zero with incorporating you know, carbon credits and creating giving back to the environment. Just getting a package of cookies, I was so turned off. I mean, there was a huge box and then plastic around the plastic container that they sat in, and it's just like, that company should be accountable for all that they're producing.

Along with being aware of the environmental impact, Ashton strives to make sure that his company helps to keep green issues at the forefront of the apparel industry. As he explains:

I think this next generation, I mean, you've got Tom's Shoes, you've got Patagonia, you've got some wonderful companies kind of leading the charge, and that's what Collared Greens wants to be is, is an inspiration and kind of join those guys on the front lines saying 'Hey, we can do this and be light on the environment and also make a little money' and as Yvon Chouinard (one of Patagonia's founders) said I mean, 'being green is saving money.' I mean, if you're using renewable energy and you're using things you can recycle and reduce, I mean, it'll save you money in the long run.

Although he did not share the specifics of his supply chain, he was vehemently opposed to going overseas, and stated that "If we can't make it in the U.S., we just won't do it at all." Hence, his company adheres to many of Schlange's (2006) fundamental aspects of sustainable ventures, particularly with regard to economy and ecology.

Most of the posts included on Collared Greens Twitter feed are photos from Instagram of outdoor scenes, from rivers in the Rocky Mountains to New England fall foliage. Enjoying the outdoors and appreciating the planet are recurring themes throughout the company's social media sites. Its Twitter profile is similar, reading, "Classic American Lifestyle Brand, Premium Quality, American Made, Environmentally Friendly," all of which reflect the company's founding principles of sustainable development. Posts include frequent hashtags such as #Americanmade, #alldayusa, #goexplore, and #USAMadeandProud.

Collared Greens looked to the success stories of Ralph Lauren and Vineyard Vines, who both began by producing men's neckties and then eventually expanded into a full line. Although he did not address the specifics, Ashton's immediate future plans for the company include a full men's apparel line, top to bottom. For long-term planning,

Ashton envisions having his own manufacturing facility at some point in the future stating “my dream is a cut-and-sew factory for sure.”

Lumina Clothing

The idea for Lumina Clothing was born while Barton Strawn, owner and founder was attending college at NC State University. He began by making men’s neck and bowties by hand in his apartment. As Strawn explained,

That’s actually what I learned to sew on a home machine first, was a bow tie and I kind of learned how to make a tie, and so that was uh, I guess, that was really probably what drove me towards the apparel industry was, kind of my first look at the manufacturing and the production side of things, um, seeing somebody who was still doing it in the US at that point . . .

This led to an opportunity to visit with a family friend who owned an apparel business in North Carolina, which further piqued his interest in starting an apparel venture. Although Strawn’s business was officially incorporated in 2009, it really got off the ground in 2011, when Strawn and his partners attended the Southern Men’s Apparel Mart for the first time. It was then they decided what they *didn’t* want to be. As Strawn pointed out:

It was quite the, um, quite the event for us, um, but you know, it taught us that that’s not what we want to do and it also taught us that we did not want to be wholesalers. We thought we were gonna be a wholesale brand, and we came home and went, man, we were like, ‘We really don’t like the wholesale market.’ That’s not what we want to do for a multitude of reasons, but um, from a design perspective I, you know, I’m on the design side, from a design perspective, it limited our ability to, or it limited my ability to basically launch a shirt whenever I wanted to, or launch a tie or whatever it might be just because you, we could launch it on our site, but on the flip side, um, all of our retailers are gonna get angry at us because you know, we’re coming up with new stuff and driving people to our site but not to their stores.

Moreover, from a retail cost perspective, Strawn felt that by the wholesale model, he would be overcharging his customers:

We were looking at our final price and we went, 'We're no better than any of the other guys that we said we wanted to be, you know, cheaper than,' cause we were retailing our shirts for a hundred and twenty-five at that point and our, um, neckwear for seventy-five and so that was right on par with what everybody else was doing in the industry but we were, that really wasn't what we wanted to do either.

As a result, Lumina's business model was set up as direct-to-consumer, instead of the more traditional wholesale route.

In April 2012, Lumina launched a successful Kickstarter campaign. Their goal was to raise \$17,500 and they reached \$20,353 with 182 backers in just two months. The success of this campaign allowed them to expand their product offerings and open a brick and mortar retail/office space in downtown Raleigh in November of 2012. The company currently employs five people, including four partners and one full time employee.

On Lumina's web site (www.luminaclothing.com), customers can purchase men's clothing, including pants, jeans, shirts, sweaters, and accessories. Price points include \$68 for sweaters, \$84 for button-down shirts, and \$92 for chino pants. The company's mission is clearly stated on its web site: "Our company philosophy is simple: create durable clothes using quality materials, right here in the USA, and sell them at prices that make sense" (www.luminaclothing.com). The idea that Lumina Clothing should be affordable to a large audience, versus a select few, is an important belief for Strawn. As he goes on to explain,

It doesn't do us any good if people can't actually afford to buy the shirts that you're making. So uh, you know, sustainability from that perspective too, looking at how can we use technology to actually make it a viable business in the US.

As Strawn sees it, it is not enough just to make clothes in the U.S.; they also have to be affordable for U.S. consumers.

Their jeans [Raleigh Denim] are \$350 dollars um, but you know, that's the difference between what they're doing and I guess us, is we're looking at it going, how can we make American made accessible for a much larger portion of the population so, and I think both are needed. You know, honestly, in the industry you have to have people who are thinking about it, you know, from the craftsman perspective, training people in that way, but you also need people who are saying, all right, let's, you know, get people actually engaged in American made in a way that they don't feel like they're having to sell some, you know, organ to actually buy a piece of clothing.

In other words, Strawn looks at sustainability not only from the angle of his company's profits, but in terms of what consumers should be asked to pay to support the sustainable philosophy.

The other key factor of sustainability Strawn considers important is to be a locally sourced company, keeping all production within the U.S. As it pertains to Schlange's (2006) criteria for a sustainable venture, in the area of economy, they adhere strongly to the cooperation indicator by creating lasting relationships with local partners. Lumina's ultimate goal is to source everything in North Carolina. As Strawn states:

Our original goal was to actually produce everything here in North Carolina, um, that was what we wanted, what we were striving for and that's something we're still striving for, is to get production back here into North Carolina. For us, it's just about um, I guess it's twofold. It's about putting money back into the local economy here, um, particularly in the cities where textiles was, you know, the

industry to be in . . . and so for us it's kind of a mission to, you know, bring that back in a way that is sustainable for the state but also, you know, you're giving these textile cities kind of their life back, so you know, so that's kind of our whole dream I guess would be to see that occur.

When considering the triple bottom line of sustainability, the most important factor for Lumina Clothing is social value creation, which is in line with Schlange's (2006) ecology criteria for sustainable ventures:

We definitely think about the environmental impact. At the end of the day, again, we're a business though, it's kind of the same reason the factories are starting to put solar panels on roofs and make nicer, you know, environments to work in, it's because at the end of the day, it's just, it's good business, it's smart business um, to start to think about those things so we, you know, we're doing that but then yeah, social value is definitely where we are pushing the hardest.

When asked how he addresses sustainability through and within the company, Strawn responded:

Sustainability means a lot of different things to a lot of different people and like to me, sustainable is creating some practices that can truly sustain themselves in a healthy way, whether that's business or environmentally or you know, from a materials perspective, whatever that might be. But it's doing it in a way that's smart, and it's healthy and that can continue to occur, you know, as we grow.

Although the company does not have many direct references to sustainability through its social media sites, it does offer several links, such as one to a web site touting a book called "Fugitive Denim" about unsustainable practices in the global denim industry.

Their emphasis on social media is on American made manufacturing, such as the following statement from their Twitter feed: "We love building an American-made brand and just want to spread that passion to others."

Immediate expansion plans include adding new product categories. Strawn pointed out that they are currently rounding out their offerings to include outerwear, knit shirts, shorts, sweaters, and the first denim collection was delivered during our interview. He would also love to eventually add womenswear, although he noted that it would more than likely be an offshoot label. Strawn believes that the American-made womenswear market is an untapped opportunity, particularly via an online retail format.

TS Designs

Unlike the five other companies included in this thesis, TS Designs is not a new company. Rather, it has been in business for a little over 30 years. According to the President and co-founder, Eric Henry, Tom Sineath started the company in 1977. Eric came on board in 1980 after starting his own t-shirt business while he was in college, first at NC State, then UNC-Chapel Hill. He describes how the business came into being:

I guess I've always been kind of an entrepreneur all my life, from going around the neighborhood mowing grass, to naturally I just saw an opportunity while I was at college at State. I saw a lot of people needing t-shirts and I saw the companies that did the t-shirts were companies that had no association with anything. They didn't know who was having a party or who was having events, so I created essentially a sales organization to make that conduit, but again, the whole purpose of the original business was just, I needed a job.

The two companies merged to create TS Designs Incorporated, with Henry serving as President and Sineath as CEO. At one point, the company grew to have more than 100 employees, working with several major apparel brands such as Nike, Tommy Hilfiger, Gap, and Ralph Lauren Polo Division. However, when the North American Free Trade Agreement (NAFTA) was passed in 1994, "it totally destroyed our business because all

the brands went overseas” as Henry explained. TS Designs had to scale way back, such that they now employ 21 full time people. While at one time they had just eight or nine customers that made up 90% of their business, each placing a typical order of 20,000 pieces or more, today the company has “hundreds and hundreds of smaller accounts” that place much smaller orders. As Henry explains, “We’re dependent on hundreds of thousands of customers that give us these 100 and 200 piece orders, we just gotta be out there in a lot of places.”

On the company’s web site, customers can order limited-run items, like organic logo tees, blank t-shirts and tote bags with several of the company logos, including the trademarked “TS Designs . . . printing tee shirts for good” and “Dirt to Shirt” t-shirts, both of which reflect the company’s transparent supply chain, however, the bulk of the business comes from custom private label Business-to-Business (B2B) t-shirt programs. Also important is Cotton of the Carolinas, a program that Henry touts as a key component of the company’s supply chain and directly related to their fierce devotion to locally sourced, environmentally friendly materials. As he states:

Five years ago we launched “Cotton of the Carolinas” which really defines the supply chain, where we go ‘dirt to shirt’ in 600 miles, impact 500 jobs in a completely transparent supply chain. We connect the consumer to the farmer, so the way it works is we go to the farmer, we buy the raw cotton, it’s our cotton, it’s our skin in the game, and then we work with independently owned businesses but they have got to agree to participate in this transaction in a transparent way so when you get a “Cotton of the Carolinas” t-shirt, it’s evolved to now you get a style number which points you to a web site, which points you to a Google map, and on that Google map everybody along the supply chain from the farmer to TS Designs, you get an image, you get a phone number, you get the email, you get a physical address, you get to see our complete supply chain.

As Henry explains, this transparency offers added value to customers who are looking for something more from their purchases:

Our customers are coming to us not because they want a cheap t-shirt, because they can always find a cheap t-shirt, they're coming to us because our vision is to produce the highest quality, most sustainable t-shirts with the triple bottom line focus.

Sustainability is the core of TS Designs and its mission statement is displayed prominently upon entering the company's headquarters, reading: "Our mission is to build a sustainable company by simultaneously looking after people, the planet and profit."

This touches on all of the fundamental aspects of Schlange's (2006) criteria for sustainable ventures. As Henry explains,

I had a good friend, Sam Moore, friend, mentor, he went on later to get his degree in international sustainability and he was the first person to introduce the idea of a triple bottom line or sustainable business model. This was in the late 90s. In the late 90s, sustainability wasn't even in the book. Nobody talked about sustainability; nobody talked about triple bottom line business models. When I was at Carolina, the whole mantra being in business is maximize that bottom line and we determined success on how big a house you had or how big a car you had and all that, and we're realizing that really doesn't determine success, um, not the direction we should be going.

He went on to describe how he believes that his employees are his highest valued assets, and therefore they should be cared for and treated fairly. The company offers its employees health benefits, retirement accounts, and keeps an on-site organic garden that includes chickens and bees. Employees are given access to eggs, honey and vegetables year round. Indeed, in observing the business environment of TS Designs, sustainability appears to be at the forefront of everything they do. For example, upon entering the

parking lot of the corporate headquarters in Burlington, NC, the office stands out in the semi-industrial area and its lack of landscaping. As Eric explains:

I always just questioned, you know, man's impact on the environment and uh, things like all the trees here. We've been in this building 23 years and we planted all these trees when they were seedlings, uh, but again, we had that component of care for the environment, care for people and of course, being a small business, we care for the bottom line, that's how you pay the other stuff, including bills and the bank.

Special reserved parking spaces are available for "Green Vehicles" as well as a small building marked "Piedmont Biofuels" with a fuel dispenser for biofuel vehicles. In addition, there are numerous large solar panels, both freestanding and on top of the building itself, as well as gutters attached to large vats at each corner to catch rainwater. Flats of seedlings sit on the sidewalk out front, and there is a sign next to an outdoor light that states "fluorescent spotlight 26 watts vs. 179 watts." Outside the building to the left is a rather large open area with beds of various vegetables growing, a dozen or more chickens running around in a chicken wire enclosure, and several beekeeping units. Inside the warehouse is a long wooden table with small compartments holding eggs and assorted vegetables, which, as Eric explained, employees can take home at the end of the day.

The focus on the environment at TS Designs also includes the technologies they use for printing t-shirts:

We developed and patented the 'REHANCE' print technology which is the backbone of our business because we identified there were chemicals used in the screen print industry that basically were not environmentally friendly and there wasn't an option out there, or a choice, so we developed our own.

Henry sums up his approach to doing business through the triple bottom line business model in the following way:

We believe running a business based on the triple bottom line is the business we need for the future and what I want to do, what I want TS Designs to be, is to be that example; a *hard* example to live up to because they're a lot more moving parts to it, but ultimately, we have to change business in this country from the standpoint, it can not solely be based on *profits*. Profits are important, that moves things forward, but again, that's what's caused a lot of the problems we've got today. We just, because we're looking short term and we're not looking at long term and we've *got* to have more accountability, you know, from the business community and again, that's what drives me and TS Designs, is to be that example.

TS Design's Facebook includes multiple posts about sustainability, including how to be a more conscientious consumer, with a link to an article from www.upworthy.com about a 'Detox Campaign' to eliminate harmful chemicals in apparel. Also included are several posts about speaking engagements at local universities, including a discussion on sustainable business strategies featuring Eric Henry as a panelist as well as posts promoting local groups of like mind, including The Abundance Foundation which helps NC farmers learn sustainable strategies, Redress Raleigh, which promotes Eco-friendly local fashions, and Carolina Farm Stewardship Conference information. They also highlight other companies that are embracing sustainable practices, such as Unilever's promise to provide traceable palm oil in their products, GM's move to require energy from waste for its assembly plants, and Phillips's ten year contract with Washington, DC that will cut 15 million kilowatt hours annually.

The company's future plans include the ongoing development of new customers. Henry believes that his main job is to do just that, by attending seminars, conferences,

participating on corporate boards, and other sales-related activities outside of the office. He also shared that they are working on developing woven prototypes in South Carolina. He maintained that t-shirt price points stay in the \$20-30 range, while woven shirts can go for much more, and he wants to develop a high quality product that ties into their sustainable story, i.e., Cotton of the Carolinas.

Ole Mason Jar

Ole Mason Jar is an online apparel business that was launched in March 2013. Both of the founders work full-time in non-apparel related jobs as they work to grow their company. The company's founders, Bradley Rhyne and Filipe Ho, were college roommates while attending Appalachian State University. They were both interested in starting a company of some kind. Since Filipe has family in the apparel industry, he was keen on starting a menswear apparel venture. They decided it would be best to work in the business sector for four or five years and build their skill sets prior to starting the company. They proceeded to develop the business for one and a half years prior to going live online in March 2013.

Ole Mason Jar is a menswear company that currently offers button-down shirts in both 'small batch release,' i.e., limited edition, and classic button-down offerings, as well as a t-shirt (manufactured by TS Designs) and leather accessories made in the Asheville, NC area that benefit the Autism Society of North Carolina. Price points range from \$16.95 for leather accessories to \$125 for button-down shirts. The company donates 10% of its profits to non-profit organizations. On the company's web site, *Project61* is currently listed as a partner, which aids local organizations in underprivileged areas to

develop their communities and residents. Although five additional people are part of their team, including sourcing and production, operations, staff writers and graphic design, none are full-time employees at present.

Ole Mason Jar's mission statement is included on its web site and titled "Our Story." The mission is based on three principles, including (1) giving back, (2) promoting the gentleman's lifestyle, and (3) crafting high quality, great fitting clothes. In our interview, the owners also spoke about their desire to support local manufacturing whenever possible, which mirrors Schlange's (2006) criteria for a sustainable venture:

So we wanna be able to give back and hopefully do something good for the world . . . right, I guess more the social aspect of it, um, but from a, I guess, environmental perspective, we're in North Carolina, which used to be driven by textiles. Why not, you know, use what's there to even, to support local manufacturing and to even tell a better story than what can be told. And use the natural materials here, you know, like our t-shirts are made from Carolina cotton, sewn and dyed in the Carolinas and um, that's not always possible for every product line, but as much as we can do that, we wanna do that.

When asked how they see sustainability relative to the triple bottom line, they responded:

Well, obviously the profit, but for the people, I would say it's the giving back piece. Ten percent of everything that we, we bring in, profit, or not profit, revenue, goes back to uh, charities and things like that . . . I would say also the job creation, like supporting, like the place in Asheville that provides jobs like that. And then from an environmental perspective, it is, I guess for us it would be using places like Eric (at TS Designs) who, they're having an impact on the environment.

Ole Mason Jar's Twitter feed tends to focus more on educating and engaging their customers with their products, as well as gratitude posts thanking customers for their positive comments. They also promote other local businesses, trends and local topics,

from style advice, to restaurants, to North Carolina BBQ sauce preferences. Several posts about their 'September Spotlight' item, which was the Carolina pocket t-shirt, were also included, as well as a link to the item description that offered a Google map showing the entire local supply chain used to create the t-shirt, as described earlier in the description of TS Designs.

The owners did not specify any particular future plans, but they reiterated several times during the interview that their goal was to become a 'lifestyle brand,' which for them includes educating their customers on dressing like a Southern gentleman while offering top quality apparel products and accessories. They also mentioned several larger companies that they are emulating as they grow, including Billy Reid, Peter Blair and Ledbury, all prestigious menswear lifestyle apparel brands.

Appalatch

Like Ole Mason Jar, Appalatch is an online-only apparel retailer. The company's two founders come from very different backgrounds. Mariano DeGuzman is 37 and his background is in international development, while his partner, Grace Gouin is 25 with a background in archaeology. Gouin also worked for two years as a production sewer, which is how she became interested in starting an apparel venture. Conversely, Mariano was working on international development in underprivileged nations, specifically Sub-Saharan Africa. It was there that he witnessed the transformative effect that the apparel industry can have on poor communities. As he states:

I really love the idea of helping poor communities, building economic development through um, business, the capitalistic sort of measures. And so it ended up, coming here and producing things in the United States because one of

the things [that] was really frustrating when I did work in developing countries is that they used to have a really robust industrial, um, industry, apparel industry, but because of the clothes, the used clothes that come from the United States, from developed countries that flood the market there, it's shutting down their apparel industry there. So, in Malawi 20 years ago, they had an amazing apparel industry there cranking out lots and lots of garments, but because of the flood of clothing from, you know, Goodwill and Salvation Army that ends up flooding the market there, it's cheaper for somebody to buy a shirt for literally five cents than it is to buy a locally made product there that helps build the community there.

As a result, he envisioned Appalatch having a sustainable business model, and hopefully a transformative effect long-term:

So all of that is really shut down and so for me and thinking about Appalatch and thinking about a brand here, if, you know, thinking long-term and this grand vision of if we can all create clothing in a very local way, to last, it can not only help us create more sustainable product that reduces [the] carbon footprint, and uses resources well, but help economies in Sub-Saharan Africa grow, and get off the ground instead of just flooding the market as much.

The two worked for over a year on developing the business strategy and supply chain before going live via the company's web site in April 2013. In fact, when they started the business, they did not even know what type of apparel they would be creating or what fibers they would be using. They only knew that they wanted to create sustainable apparel. As DeGuzman points out, "We had no idea what we were gonna create. We just knew, um, we wanted to create the most sustainable clothing that we can." To this end, they considered the various fiber choices available and determined that wool was the best choice. As DeGuzman explained:

It's just as soft, and it's local, so we were like, well, it fits pretty much our, our sort of like, checklist. It's sustainable because if you look at the, if you look at the fiber underneath a lens, it's water, it's grass and it's sun. Like that's what it's

made of, the wool fiber is made out of, it's sustainable, it's recyclable, it's durable, it's performance.

Once they decided on a fiber, they then started developing their supply chain, literally going from "sheep to shirt." He elaborated further,

We actually go back to the farms and buy the wool from folks in Montana, even before they're sheared, and then, you know, taking that ourselves and bringing it along the whole way. Most of the time in the apparel industry, brands start out with the fabric, they don't think about, like, things before that, about like the micron or the spin, or anything before that, but for us, we want to go all the way back, and take that along ourselves and understand the process.

From the launch of Appalatch in April 2013, the company's products have consistently sold out. Appalatch is direct-to-consumer only at this point. Currently, consumers can purchase wool t-shirts, custom fit, fully-fashioned knit sweaters, wool throws, wool socks, as well as handbags and backpacks made of wool and leather. Price points range from \$15 for wool socks, \$60 for a wool t-shirt, to \$189 for a custom fit wool sweater. Recently the company participated in Northern Grade, a pop-up market of U.S. made products. A curated show consisting of apparel manufacturers, Northern Grade is open to the public with limited engagements at various venues around the country.

Appalatch undertook a Kickstarter campaign in the fall of 2013 that was very successful and netted them a total of \$55,272 and 393 backers. With the funds, they purchased a fully-fashioned knitting machine, which can produce sweaters with virtually no waste. Mariano pointed out that the Kickstarter campaign was a strategic move; not

only to raise money for the company, but also to raise awareness of the company in a way they could not do on their own:

This custom fit sweater idea we've had on the back burner would be perfect for us to, you know, not only get money to help us fund this, but also raise the level of our brand on a national level, so when we did the Kickstarter campaign, we thought about it as a great way to engage people, get our, the word out there about who we are.

Sustainability is a key driver not only in the way Appalatch operates, but the reason *why* it operates. As DeGuzman stated, “. . . You know, our unofficial mission within Appalatch is to create the most sustainable clothing in the world . . .” He goes on to explain that the company's view of sustainability encompasses people and the planet for the long-term:

We would absolutely love it if we put ourselves out of business by putting our clothes on people and getting them to use it for a very long time, so the way we look at sustainability is we design for really long use, to be fad-proof, high quality, last a long time, made with ethical labor, labor that is, that is uh, we pay people fair wages, use the most sustainable production processes possible here in the United States in a local process to cut down on our carbon footprint, and we engineer it to last a really long time.

From a profit perspective, he looks at sustainability this way:

What we're trying to do with sustainability is to not only produce things in a very ethical manner, in a very local sense, but also producing it at a cost that is comparable, or even below products that are made abroad. And, we think, kind of, finding this Holy Grail of really fashionable, sustainable products made in America at a price people can afford, is kind of like a win-win for everyone...

However, profit must be intentionally resource-friendly, focusing on the environmental concerns given the type of products the company produces. As he explained,

So for us, we think producing sustainably, and producing it in a very, very intentional resource-friendly way, is something that we believe strongly in, and that's the reason why we're kind of into this.

At the same time, concerns about the ethical treatment of people also drive their strategy:

And so the one that really affected us was kind of just seeing people and how they are treated in the apparel industry, and really just having that disconnect of consumers and how things are made. And so for us, there just has to be a better way to do this.

This ties in directly with Schlange's (2006) criteria, specifically in the area of society/ethics, in the indicators of personnel. They adhere to many of the other indicators as well, especially in the areas of ecology, like production processes, as well as economy, with the indicators of procurement, persistence and identification.

With respect to their use of social media to communicate the company's views on sustainability, Appalatch takes a soft approach, preferring to combine education with entertainment, or 'edutainment' as DeGuzman pointed out:

I mean, the biggest challenges for us is getting consumers to care about the sustainability side of our products, because that has been the hardest part of what we're doing. The production side wasn't that hard, I mean, it's hard, but it's not as hard as messaging to people, and getting through to people that we should buy sustainable clothes. We do a lot of advertising on Facebook and we play with messages just to see what our, our folks like and don't like. We started messaging first with, you know, educating people about the apparel industry and by far, we saw that our 'likes' and the people who friend Appalatch dropped off. People don't like hearing that kind of stuff. As soon as we started talking about really fun stuff, and you know, stuff that you know, is, is not about educating, but it's

more entertaining, we just saw skyrocketed people who ‘like’ us and, and of just becoming our friends, so we’re in this model now of ‘edutainment’ . . .

Examples of typical Facebook posts that include information embedded with sustainability would be a post about their Kickstarter campaign (ethically-made sweaters), a post about buying American-made products during the holiday shopping season, a link to an article about repurposing, recycling and up-cycling and a link to an article titled “The power of small: why incremental steps can lead to big change,” that talks about sustainable ideas like relocating manufacturing closer to home, less waste and intentional focus on the land. A statement at the end of the post reads, “That’s our ethos here at Appalach.” Interspersed with these sustainable oriented posts are entertainment-skewed posts, like pictures of Elvis and Marilyn Monroe wearing wool sweaters, funny posts about washing instructions and links to their Pinterest boards.

Although they did not talk specifically about their future plans for the business, they did maintain that they are *not* thinking small. DeGuzman and Gouin expressed that they wanted to reach the mass market with their products, and to do that they did not want to stay small and exclusive, but to expand on a large scale. They even referred to their goal as “slow fashion for the masses.” The owners also discussed incorporating new product categories as they grow, like outerwear, that they had been working on, but were not ready to launch at the time of the interview.

In summary, although each of the six companies ranges in time of existence, from just one year to more than thirty years, they share many similarities, particularly with regard to sustainability factors. In fact, many of these apparel businesses were born not

out of a desire to start an apparel venture, but to start a sustainable enterprise. Very few of the founders had any apparel experience prior to starting their companies. Most learned from trial and error and practice.

Sustainability plays a key role in the business models of all of the companies, from the mission statement to the way the business is run, and from the supply chains they create to the production of their products. Interestingly, each communicates their views on sustainability to their customers in a variety of ways, from more subtle strategies like edutainment, to overt messaging. Moreover, specific aspects of sustainability communicated vary by company, from the idea of American made, to sustainable fibers, to enjoying nature and providing jobs for local economies.

Summary

This chapter provided an overview of the six companies included in this thesis. The next chapter will present the emergent themes that represent the results of the data analysis and interpretation. Areas related to the core concepts guiding this study, including sustainability as a business strategy and the notion of the triple bottom line, are examined.

CHAPTER V

INTERPRETATION

The purpose of this thesis is to explore the role of sustainable entrepreneurship within the apparel manufacturing sector. Four research objectives were developed to address this purpose: (a) to identify the motivations of sustainable entrepreneurs within apparel manufacturing, (b) to examine the decision-making of sustainable entrepreneurs relative to apparel manufacturing, (c) to investigate the business models used by sustainable entrepreneurs in the apparel manufacturing process, and (d) to explore the significance of these models for the future of U.S. industry, particularly domestic apparel manufacturing. In-depth interviews with the owners of six small businesses allow for a case study examination of the motivations and decision-making of sustainable apparel entrepreneurs. Understanding the role of sustainability within their business models was the focus of the interviews in order to assess the role of sustainable small businesses within the U.S. apparel sector. The following interpretation of the interview data provides an in-depth look at the topic from the perspective of the participants.

Three conceptual areas emerged as a result of the analysis of the in-depth interviews: Philosophy, Positioning, and Production. Within each conceptual area, themes were developed that help to represent participants' perceptions of and experiences with establishing and running a sustainable domestic apparel enterprise. As part of the conceptual area of Philosophy, three themes are included: *A Bootstrap Mindset, Be the*

Example, and *Refusal to Compromise*. These themes help to explain the motivations and decision-making of sustainable apparel entrepreneurs. In the conceptual area of Positioning, themes include *Connectedness*, *Education and Leveraging Social Media*, and *Cross-Pollination*. These themes paint a clearer picture of the business models that the six organizations use, as well as highlight the importance of these models for the apparel industry at large. Production, as a conceptual area, includes the themes of *Strategic Sourcing*, *Transparency*, *Localization* and the *Triple Bottom Line Conundrum*. These themes not only help explain the outcomes of the motivations and decision-making of these sustainable apparel entrepreneurs, but suggest implications for the domestic apparel industry as a whole.

Philosophy

The first conceptual area encompasses the philosophical reasons behind why these sustainable apparel entrepreneurs make the decisions they do, while highlighting what motivated them to start their businesses in the first place. Most of them went into business young (college age), with little or no experience, which is indicative of a *Bootstrap Mindset*. In many cases, the business emerged from a strong desire not just to do something on their own, but to do something for the greater good. This is reflected in the theme of *Be the Example*. Further, many of these entrepreneurs expressed the notion that they were ‘swimming upstream’ and going about things in a more difficult, yet satisfying way for them personally, which highlights the theme of *Refusal to Compromise*.

A Bootstrap Mindset

In one way or another, the bootstrap mindset was brought up by most of the participants. That is, to “pull oneself up by one’s own bootstraps” means relying on one’s own efforts to succeed. To be self-sustaining appears to be the way they define themselves and how they do business. For example, according to Barton Strawn, the CEO of Lumina Clothing:

I think the thing that excites us, or excites me but excites the whole team every day, it’s like, we might not be working in uncharted territory, we’re tiny, you know, we’re definitely bootstrap. We’re working with what we have and so you know, we’re coming up with creative solutions.

Randy Ashton, the founder of Collard Greens echoed this sentiment:

Yeah, [it’s a] very grass roots company that I started in my bedroom . . . I like ignorance a little bit so I can feel my own way, you know? We did it in Idaho, and it was an unbelievable learning experience, I mean, for someone who has no experience, like, talk about a straight like, as entrepreneurial as it gets . . . we just bought seven sewing machines, we had one sewer who knew how to sew, and faith and confidence that he would find his buddies and teach them how to sew, and we made polo shirts that way.

This idea of starting from scratch to build the company was also the case for Natalie

Chanin at Alabama Chanin:

We were in this little three bedroom place that I was living in, people would come into my, I would make my, I had a twin size bed, that was my entire life as a company, I slept in that twin sized bed . . . I would make it up in the morning to look like a couch, and my desk was right there, and people would come into my bedroom and sit on my bed for meetings, and then I would go to bed there at night. I mean, I lived and breathed this thing.

Each one of these entrepreneurs expressed the idea that they utilized the limited resources they had available to build their businesses, even if it meant having meetings in their homes, or teaching themselves how to do what was necessary to achieve their goals. However, it does not seem like they viewed limited resources as a drawback. On the contrary, it was a motivating factor. In other words, ‘less is more’ was perceived as a benefit in coming up with creative strategies for success.

The idea of *A Bootstrap Mindset* can be broken down into three main issues important to understanding the participants’ experiences: learning from mistakes, emergent aspects, and a positive spin. Natalie Chanin discussed her personal philosophy on learning from mistakes as she poignantly recalls the following experience:

I believe that’s why people let me lead because they know that I make mistakes and own up to it, right? And so I, you know, I am the leader of this thing that we do, but I make so many mistakes and I’ve hurt so many people along the way and I, you know, I live with cracks, and I try to fill them in, and you know, it’s the same with sustainable design in a way. You can make it spiritual, but there are so many mistakes, and we’re trying to figure it out and we’re just trying to do our best not to hurt this beautiful planet.

In fact, for participants, a large part of having *A Bootstrap Mindset* is accepting that mistakes are going to happen. Indeed, for most of these sustainable entrepreneurs, making mistakes was actually viewed as a key ingredient to their overall success. As Ashton of Collard Greens points out:

I’m convinced that you learn more from failures than you do from successes, and it’s, it’s better to keep failing and failing and then you don’t get a big head...I always say we wouldn’t do the factory, cause that ate up the money real quick and almost nipped this thing in the bud...but you know, now that we’re alive and well, I say that that was a good mistake to make because it taught us so much about

making garments. We had never made a garment in our life and I was telling these manufacturers um, you know, make me a polo shirt that looks like Brooks Brothers, and they were like, ‘Dude, what’s Brooks Brothers?’

This excerpt from *Collared Greens* highlights how crucial having *A Bootstrap Mindset* is to keeping the business in the long run. That is, if they had not taken risks that resulted in failures, they would not be as successful as they are today. Grace Gouin of Appalatch shared a similar perspective:

I get very obsessed about mistakes, and can get very upset about them, and Mariano always reminds me, you know, even every mistake we’ve made, we’ve learned something from it, and so don’t regret anything we’ve done and he said right at the beginning of Appalatch, ‘don’t, you can’t be afraid to fail. There’s a good chance we’ll fail at what we’re doing.’

It seems that for the participants, product knowledge was an area that they lacked, therefore something they needed to learn. For example, the owners of Appalatch recounted a particular story about the difficulty of developing jackets at the outset of the business:

I think one of the biggest challenges that we’ve faced so far is trying to, with the jackets, was a huge challenge that is still an uncompleted project for us. And had we gone the route that we are going now, the sweater route, prior to the jacket route, we’d be further along in the business than we are right now. Sometimes I wake up in the middle of the night and think about that, and just feel I’ve failed in some way at that, but it was also a learning experience.

As discussed in Chapter IV, Appalatch started out trying to produce jackets, one of the most difficult garments in the apparel industry to execute properly, and right at the outset of starting their business. In hindsight, they realized that while it was a poor decision,

they also learned a great deal from it. Thus, using the bootstrap approach to tackling garment production allowed them to grow, take on other challenges and most importantly, to not give up.

Mistakes can also lead to evolutionary business growth and development. That is, for many participants, finding their way was an exercise in trial and error that ultimately resulted in positive company growth. For example, as Strawn of Lumina Clothing explained, the company learned what it did not want to be, a wholesaler, by starting out as one:

That was the year (2011) we actually decided we were going to go to the Southern Men's Apparel Mart in Charlotte. We quickly learned that was not, it was probably one of the best things we did, just from the perspective of, we learned, we thought we wanted to be in the Southern Men's Apparel industry, being in the South, And we learned that that wasn't where our strong, I guess our core design aesthetic was...it taught us that that's not what we want to do and it also taught us that we did not want to be wholesalers.

A similar outcome emerged for Appalatch. As the company evolved, so too did its focus:

We started from the ground up, and we said, 'If we're going to produce something in the United States, what can it be? And if our goal is to make really long lasting clothing, and try to, you know, our unofficial mission within Appalatch is to create the most sustainable clothing in the world, how do we get there?'

As owners of small businesses, these sustainable entrepreneurs see taking the bad with the good as part of being bootstrap. In other words, participants see being bootstrap as a positive. For example, at Ole Mason Jar:

It is fun and we do everything. I pack, hand pack, it's hand packed, and again, it's just turning that somewhat negative, that 'I'm packing it' into a positive, because

every shirt will have a thank you card and it says ‘hand-packed’ and I sign it so you know, it’s just another story for the consumer, like, they took the time to pack this.

In sum, having *A Bootstrap Mindset* allows these entrepreneurs to forge their own paths in line with their personal philosophies, make mistakes along the way that aid in emergent growth and development of the business, and refine their skills and expertise while maintaining a positive spin on what might be considered negative aspects of running a small business.

Be the Example

Whereas *A Bootstrap Mindset* theme focuses on how the participants’ philosophies shaped their businesses and operations from within, *Be the Example* hones in on how they want this philosophy to be perceived by others from without. All of the participants felt strongly about being model citizens and setting examples for other businesses to follow. For example, according to Randy Ashton of Collared Greens:

Collared Greens is trying to be a model for this next generation...we talked about it since day one, is an open door policy so if anybody kind of wants to know what’s going on or what we’re doing...just let people in and see what we’re trying to accomplish . . .

Not only does he want an open door policy, where others can learn from the business, but he also felt it necessary to change the world as a result of the business:

You’ve just been working your little tail off so it’s, it’s neat, you know, doing something for yourself and for the better of the world, or trying to make a difference.

In other words, he really felt that his business should set the standard for other apparel businesses by making the world a better place through sustainable business practices. For this reason, his company is open to helping other entrepreneurs as much as possible. In a similar vein, Bradley Rhyne of Ole Mason Jar expressed this sentiment:

I wanna be perceived a certain way and I wanna feel good about what I'm doing. At the same time, doing what I love to do so for me, and Philippe both, it was, if we're gonna do this, we need to give back, because you know, we're both very strong in our beliefs and you know, we both felt, well, if we're fortunate enough to be able to do the things we wanna do, we're blessed enough to do those, then you know there's a higher power at work with that and we wanna be able to give back and be able to say well, you know, we realize there's something else that's enabled us to be able to do the things we're doing and so we wanna be able to give back and hopefully do something good for the world.

Rhyne offered specific reasons for giving back later in the interview:

I think at the end of the day, we make sure that we're doing things for the right reasons, um, so the giving back piece, I think it keeps us centered, focused on, [able to] remember why we're doing this.

At Ole Mason Jar, for every shirt that is sold, the equivalent dollar amount is given to a non-profit to feed a family for a day. In other words, when someone purchases a shirt, that person is helping to feed a family at the same time. Although Lumina Clothing does not donate directly as of yet, they are currently working with an organization to donate clothing to the underprivileged. For them, *Be the Example* reflects their company philosophy in that, "We like the word 'responsible.' We wanna be responsible with our company um, and with what we're, with what our practices are." At TS Designs, Eric Henry expressed his desire to be an example thusly:

We believe running a business based on a triple bottom line is the business we need for the future and what I want to do, what I want TS Designs to be, is to be that example; a *hard* example to live up to because they're a lot more moving parts to it . . . we've got to have more accountability, you know, from the business community and again, that's what drives me and TS Designs, is to be that example.

In other words, the company's philosophy of the triple bottom line drives its business model, and becomes one that other organizations ultimately want to emulate.

At Appalatch, the owners see the idea of *Be the Example* in a very altruistic, yet strategic light. They are altruistic in wanting to change the industry through wool clothing, and strategic in realizing that they need to be larger in order to gain a critical mass:

Our goal is not to be a small company. We want to change the industry for good, I mean, that's our intention. We want to show that our business model works, that we can be profitable and be good at the same time. In order for that to happen, we need to reach the mass market.

DeGuzman elaborated on this idea a little more in the interview. He states:

I think, you know, we have a big head at times, I don't know if we can actually do it, but I try to think about, like, the changes that we can make in people's lives by creating more sustainable clothing.

Clearly, to *Be the Example* is not an easy path. However, like *A Bootstrap Mindset*, going against the grain is something that is the normal course of business for these sustainable apparel entrepreneurs. They want to be model organizations for others and their philosophy of doing good and operating for the right reasons is how they want to be perceived. This is the case whether they are giving back, opening up their doors to others, or following the triple bottom line in their decision-making.

Refusal to Compromise

In addition to *Being the Example*, the participants talked about deeply-held core values, such as using only domestic manufacturing. They stood by these values no matter what the cost. For example, Appalatch's owners explained that these beliefs actually guide the business and everything they do:

I think our core beliefs just drive so many of those decisions that we just don't see any other way of doing this. This is a calling I think, for both of us, it's like a mission. Yeah, and for us, when we started Appalatch, we first started out with a mission, creating a mission, vision and values. That's gonna drive us forward. So we didn't, I think I was telling you earlier, we didn't think about like, oh, we're gonna use wool fabric, we're gonna use, we're gonna do this. We had no idea what we were gonna create. We just knew we wanted to create the most sustainable clothing that we can.

As Ashton at Collared Greens sees it, it is also about not letting the need for profit override these core values:

When we started out, we just said we're *not* going overseas...if we can't make it in the US, we just won't do it at all. And it's been a huge challenge for us, actually, we're still waiting on our fall polo shirts cause we're at the end of the line. We're the small guy so they get all the big orders and we get, you know, so it's tough and it's uh, but you gotta start somewhere and you gotta stick to your principles . . .

Choosing the more challenging path is a common thread that runs through this theme. In fact, maintaining domestic production was a path that all of the business owners mentioned. Moreover, sticking to one's principles often means being unpopular with investors, and in some cases, even caused a loss of partnerships and customers. As Eric Henry of TS Designs sees it:

No question, it's been a harder and more difficult path that we've taken. You know, we've kind of gone upstream. You know, we could have done the easy thing, taken 'Rehance' [a sustainable printing process] and gone offshore a long time ago, probably made more money, been a lot easier, but in the long term, I think we're going in the right direction.

Natalie Chanin of Alabama Chanin echoed a similar sentiment, when she found that others did not support her decision to share patterns with the marketplace in the form of an instructional sewing book, because they felt it would take away from her core apparel business:

That first book, everybody said, 'You are out of your mind. Like, why are you writing that book? Nobody will ever buy your clothes again!'

Likewise, she made some unpopular fiscal decisions in terms of sourcing products, but in her heart, she felt they were right:

I tried to make decisions that were right, and so sometimes, you know, there were hard decisions to make, like oh, we should go to India and I then just thought about the men standing in vats of poison dye stirring fabric with their feet and I was like, I don't want to go to India, I don't!

Much like the Collared Greens example above, many of the more difficult decisions are those that have to be made with the heart rather than the head, which although unpopular, have proven to be the right decision in the long run for these sustainable entrepreneurs.

As Natalie points out:

You make a lot of decisions with your heart and not your head. And I'm gonna tell you right now, every time I made a decision that wasn't an easy decision, in the end, it always wound up being the right decision. And I mean, we're not, you know, maybe not the right decision for my *banker* . . .

Not only do core values drive the participants' business decisions and impact every decision they make, from how they run their businesses to what and where they produce goods, but they shape the philosophy that drives these entrepreneurs to be the change they want to see in the world, starting with the industry itself.

Positioning

Positioning is the second conceptual area to emerge from the interview data, and is an area that the business owners seem to spend a lot of time and effort being focused on. Positioning encompasses those elements of the business that are represented directly to consumers and the marketplace in the form of social media, advertising, promotions and other ways a company might engage its audience. Positioning also incorporates how the business impacts the local community, as well as other businesses and the partnerships it has. Many participants either employ a social media person on staff, or have someone they use to maintain an active online presence for the purpose of corporate positioning. The specific themes that emerged within this conceptual area include *Connectedness, Education and Leveraging Social Media*, and *Cross-Pollination*.

Connectedness

Connectedness, whether with the consumer, the community or the world at large, was a recurring issue during the interviews. For example, as Eric Henry of TS Designs states:

The consumer has become disconnected from their apparel just like the consumer has become disconnected from food. And what we wanna do is reconnect, and um, bring that connection, and I think there's a growing group of people, that just like they want to know where their food comes from, they wanna know where their clothes come from.

Much like the local food movement in the U.S., where people are getting to know the farmers that grow the produce they buy and the meat they eat, Henry believes that consumers should want to know where and how their clothing is made. He explains that this is what compelled him to remain in the t-shirt business all this time:

I think it's, it's a more enjoyable business 'cause you're more connected to the community. There's a soul to it. I mean, you know, there's just, you know, if we were just here selling t-shirts, you know, for price, I'd left a long time ago, there's no, there's a lot more to it than just a t-shirt, which, we're trying to change the industry. Our customer has to see a value beyond price. They can have social issues or social reasons, you know, they want to know where it's made. I'm not saying overseas is *bad*, but people wanna be, you know, just basically have some type of connection from the social side, or environmental side...

For this participant, it is more than just the idea of connecting with the consumer about a product. Instead, it is a connection with the consumer on a deeper level, be it social, environmental, ethical, or a combination of all three.

For Natalie at Alabama Chanin, being an integral part of the community is a key component of her company's mission statement:

We wrote a ten-year plan, and I have to say that the ten-year plan is not far off from like, the original plan I wrote for [my former company]. We wanted like a place where people could gather, like a community space, it included being able to customize things, it included, in my mind it was a different kind of education and I didn't really realize it till recently, I found this document that I wrote, you know, twelve years ago, that um, ok, so this first thing is 'Share the Alabama Chanin commitment to good, clean and fair work and life' and that's adopted directly from the Slow Food International. Ok, 'We're in passionate pursuit to design, to design, responsibly produce, and sell products and experiences that enrich life, community and planet.' So that encompasses all the things we do.

As discussed in Chapter IV, some of the products and experiences that Alabama Chanin offers are sewing workshops and instructional books on how to make their embroidered garments at home. The company views these as life-enriching and as a way of connecting with the consumer and local community. Moreover, they utilize local artisans to make their garments, which benefits the community as well.

Some participants expressed *Connectedness* more in terms of relationships with their customers. For example, Barton Strawn at Lumina Clothing looks at connections between the company and the consumer through the lens of its brand:

Every consumer, you know, has a much more personal relationship with our brand and so we often, you know we retain customers much, uh, I'd say much more frequently than if we just had our shirts in a store, um, on a rack next to five other brands . . . but now, you know every time they think about it they're like 'Man, I did talk to Barton (the founder) the other day, like, you know, I'm gonna shoot him an email and see if there's any new product.' They feel like they can do that. So that's what, we want that.

The owners of Lumina Clothing want the consumer to feel like they really have a personal connection to the people making the product, as well as to the brand itself. In fact, they actively encourage this close connection. He went on to elaborate:

Yes, we're making a shirt but, at the end of the day we're, we're really just trying to connect with a person. It's really not about the item itself, like it's, they're buying the item because they want to be a part of what we're doing.

Randy Ashton of Collared Greens offered a similar perspective:

Well, no doubt, we took that from LL Bean, straight from him. You know, it's, it's a relationship, it's not a transaction, it's a relationship with the customer.

Ashton went on to explain why he emphasizes relationships:

We're just trying to create relationships, like it's not a transaction thing at all, it's an honor for them to be wearing your product.

In addition to creating a relationship, another aspect of *Connectedness* that the participants discussed was engaging the consumer. Bradley Rhyne of Ole Mason Jar uses it to differentiate his company and put it this way:

I think all the things that we do are what separates us because we are focused on making a great shirt, and a great quality shirt, where other companies are just focused on mass producing it, so where we make it, how we make it, it's all important to *us*, and that differentiates us. We also give back and that differentiates us because a lot of other companies don't give back, but some do, uh, and then we're focused on *engaging* our audience.

In sum, *Connectedness* is not only a key means of positioning the brand relative to the consumer, but also the company within the community and the domestic manufacturing arena as a whole. It is clear that for participants, buying clothing can be far more than just an anonymous business transaction. Rather, it symbolizes an ongoing relationship with the consumer. The next theme elaborates on some of the ways that participants develop and nurture this relationship between the consumer and their brands.

Education and Leveraging Social Media

In addition to *Connectedness*, *Education and Leveraging Social Media* is an important aspect of Positioning for the participants. It was clear that each business owner carefully considered exactly how to leverage social media and when to engage, educate, and entertain his or her customers. Moreover, many talked about learning valuable

lessons in the process. For example, Appalatch had difficulty appealing to their customers from a sustainability point of view, “. . . the biggest challenges for us is getting consumers to care about the sustainability side of our products because that has been the hardest part of what we’re doing.” They found that the topic did not resonate with their particular customer. However, when they used social media to educate their customers through more entertaining means, they were much more successful in engaging them. Hence, they modified their strategy and learned to use it as a way to entertain:

As soon as we started talking about really fun stuff, and you know, stuff that is not about educating, but it’s more entertaining, it just skyrocketed, people who ‘like’ us and, and of just becoming our ‘friends’. So we’re in this model now of ‘edutainment’ trying to educate people while also being entertaining and we’re trying to like, figure out that right blend, so we’re not giving up too much of what we wanna do within the industry while also trying to engage people as much as possible.

Examples of this kind of ‘edutainment’ from Appalatch’s Facebook site include a post about a holiday pop-up shop in Asheville, NC supporting local artisans, as well as a post with a link to a holiday shopping list where the vendors give back, preserve heritage in some way, or practice craftsmanship. Mixed in with these entertaining, but sustainably minded posts are links to articles, like one from *The Guardian* on “The power of small: Why incremental steps can lead to big change,” or a report from *US News* on sustainability going mainstream.

Ole Mason Jar also takes the idea of educating and engaging consumers very seriously, particularly in terms of teaching the customer how to act like a southern gentleman, and how to learn to dress well. As a result, they incorporate a broader array

of topics, from personal grooming to appropriate attire for an occasion as they develop into a lifestyle brand:

We truly want to be a lifestyle brand so we're about teaching as well as promoting our own brand. It's teaching what it means to be a better man...I might write a piece on the most important, you know, write a blog on how fit is very important and how, or maybe what to wear to a dinner party or things like that which can help educate and make it a little less intimidating for somebody who doesn't care as much about fashion but they're definitely our audience too.

Similarly, Alabama Chanin utilizes a combination of hands-on workshops as well as a strong online presence to communicate to and educate their customers. As Natalie Chanin points out:

We're really grateful that ya'll are here and know that by coming here and learning these things, you're also supporting our artisans in the field and the sewers in the back and all this goes into one pot and helps support the other. You know, our business is built on a, we call it sort of holistic, and when I was writing about this [on the blog], I wrote it with a "W", 'wholistic' . . . so by choosing this workshop and coming here today, you're helping to support the bigger whole, this is the work we're trying to do so we're grateful for that.

Of course, participants also talked about using social media for the purpose of marketing their businesses and products. Facebook was the most popular as it allows for electronic word-of-mouth without a great deal of expense. As Randy Ashton of Collared Greens has found:

Word of mouth is spreading like fire on it and, and people are talking about it. I think we do a very good job with our Facebook and that has been very powerful.

Not all of the companies interviewed maintained a presence in all media channels.

However, they all expressed the desire to eventually do so. Most had an employee whose role was to handle the social media aspects of the business, something that all of the participants felt is a crucial element of their positioning. As Barton Strawn of Lumina

Clothing aptly pointed out:

I think it's a complete package. I wish it was one . . . that'd make our lives a lot easier! But it, they expect a holistic view of your company . . . like the blog is very much so story driven, we're trying to become a little more advice driven, um, as it progresses . . . but then we look at Facebook and that is a little bit more casual, more about like 'Hey, here's the blogs we've been featured on today, go check it out,' and then it kind of progresses down as we, you know, Twitter and Instagram start to become a little more personal, a little more even broken down than the others, a little bit more behind the scenes. Our best customer, if we could . . . would be engaged on every single one of 'em. That would be a fantastic customer for us, but we realize that that's probably not realistic.

It is clear from this excerpt that a great deal of time and effort is spent trying to utilize the various web sites in the most advantageous way, and that, although it would be ideal to have all customers on multiple sites, that is not always the case. Consequently, participants realize the need for a presence on many of the major apps in order to reach different types of users, from a visual approach such as Instagram, to the more interactive text and image platform like Facebook.

Another social media vehicle that all the participants discussed as having either already used or were in the process of doing so is Kickstarter. Many had looked at it not only as a way to bring about a cash infusion, but also as a strategic positioning tool to engage and connect with consumers, in as much as it can be a vehicle for free advertising.

Mariano DeGuzman of Appalatch explained how they intentionally leveraged free publicity with their Kickstarter campaign:

We went through a Kickstarter campaign and we did that kind of intentionally because, you know, in our business plan, we wanted to, in the first two or three months of our existence, um, try to reach a regional market here. So get out there and try to tell the *Asheville Citizen Times* and *The Mountain Express* about who we are. But then kind of expand that we um, had in our game plan in August, starting in August, to think about a national outreach plan . . . so when we did the Kickstarter campaign, we thought about it as a great way to engage people, get our, the word out there about who we are. But also about this custom fit sweater thing that we'd been thinking about, so we've got really great reception by marketing and PR folks, um, from the Kickstarter campaign, and we've been covered by so many outlets that we would have never been able to be covered by . . . *The Washington Post* and *The New York Times* next week, *Time Magazine*, uh, *really* big players in the market just ended up picking us up.

Kickstarter provided the company not only funding to purchase a custom knit sweater machine, but strategically, it garnered a great deal of attention in the media, much more than they could have done on their own without a great deal of capital. The Kickstarter campaign enabled Appalatch to build national attention for the brand as well as develop a broader customer base.

Barton Strawn of Lumina Clothing looked at Kickstarter as a way of opening the company's first brick-and-mortar location in order to further connect with its customer base and to build upon its clothing collection:

Last November we opened up shop here, kind of office and that was kind of in lieu of a Kickstarter that we had done. We got some funding there and we'd really started to bolster our collection and so we launched our first full line of pants, four different colors and we had, I guess, about eight styles of shirts, nine styles of shirts at that point...so we launched it in April, I wanna say was the start of our Kickstarter and it lasted for two months. Yeah, it's fantastic and it was, you know, it provided us, um, we learned a lot about Kickstarter as well from that

experience. We probably get more people asking us, ‘Hey, how do you, what advice would you have on Kickstarter?’ Um, but yeah, that, that kind of launched us into the store, it let us double our lineup of shirts, we uh, added some neckwear as well, and then added pants into the collection.

Through leveraging social media, specifically Kickstarter, Lumina Clothing was able to establish its first retail location in Raleigh, North Carolina, which also doubles as the corporate headquarters. Kickstarter also allowed them to expand their clothing line and further connect with their customers.

Social media plays a crucial role in corporate positioning for all of the participants, and is a tool used daily for company and brand positioning. According to participants, electronic communication is the primary channel used to educate the customer, while face-to-face encounters are secondary, and come in several forms, such as workshops and brick and mortar interactions. Indeed, the first thing Natalie Chanin did at the Alabama Chanin workshop was to take a picture of the workshop, stating “I was doing something on Instagram . . . part of my job!”

Cross-Pollination

Cross-Pollination is a theme that emerged across all of the interviews as well as through the observation data. *Cross-pollination* came in several forms, from direct collaboration with other organizations, to simply being inspired by others whose business principles the participants admired. They used those ideas and even products in a symbiotic way to benefit their own enterprises. For example, as described in Chapter IV, at the Alabama Chanin workshop, there were many types of items for sale, from Southern

cookbooks, to books on business, to local pottery. Chanin was quick to point out some of the things that inspired her:

I just recently did a workshop at Zingerman's deli in Ann Arbor, Michigan and um, they're, they make these series of business books...they say that each party is 100%, 100% responsible so that you are 100% responsible for what you teach and you are responsible for what you learn and that's the only way you can have successful relationships like that. Since I've done that class, I usually start this class and say, you are 100% responsible for making sure that you have a great time today.

Most of her collaborations were detailed in an online journal at www.alabamachanin.com/journal/, where she highlighted products and services from a diverse range of other businesses including musicians, cheesemakers, photographers, artists, and chefs.

A similar kind of idea can be seen in the Facebook postings of Appalatch, including links to Lumina Clothing's holiday shopping list (that included their apparel), a link to a homeopathic medicine web site and another for handmade holiday wreaths, and a post about a pop-up holiday market that included other sustainable vendors. Similar types of cross-pollination were apparent on Lumina Clothing's blog, where they highlighted a leather company based out of Raleigh, a handmade wood and metal furniture company and a blog post of the top five U.S.-made boot companies. Moreover, they include brands made by other companies for sale in their store, from domestically made shaving products to bags and socks.

Although Ole Mason Jar is still a small company, they also highly value such cross-pollinations, including paying homage to companies they admire, as in the following example:

I think we've taken pieces from a lot of different companies that we admire, um, there's a company in Richmond, Ledbury, which we think does a great job, how they present the brand, the visual aspect of it. There are other companies, like a Barbour or a Billy Reid where, you know, they've based, they've taken what they do and they've created this more luxurious feel to it.

The owners are open to the idea of collaborative merchandising, in that “. . . and maybe even if another brand that you know, that we love, that we can introduce to some of our people and kind of cross-merchandise.” The company even considers its collaborations with local companies a kind of *Cross-Pollination*. For example, when they decided to produce a t-shirt, they thought it made sense to work with TS Designs:

But from a, I guess, environmental perspective, we're in North Carolina, which used to be driven by textiles, why not, you know, use what's there to have, to support the local manufacturing and to uh, even tell a better story than what can be told. And use the natural materials here, you know, like our t-shirts are made from Carolina cotton, sewn, and dyed in the Carolinas and um, that's not always possible for every product line but as much as we can, we wanna do that.

In other words, collaboration and *Cross-Pollination* is a win-win, particularly when it applies to enhancing their philosophy and sustainable goals. In fact, Bradley Rhyne at Ole Mason Jar talked about several reasons for this type of collaboration:

That is truly the best t-shirt that you could possibly make. North Carolina cotton is some of the best cotton in the world. Eric and his group are great at what they do so, you know, there's no need to go anywhere else to get your t-shirt . . . and then our leather goods are made in Asheville, North Carolina, and they're

repurposed leather, so it's really a partnership with them, they support the North Carolina Autism Society in providing jobs and that's who's making the leather goods.

As mentioned earlier, one of Ole Mason Jar's goals was to make the highest quality products possible, and at the same time, feel good about what they are doing. Both of the above product lines (t-shirts and repurposed leather goods) meet those requirements in different yet complementary ways. Thus, for them, it is not just about *Cross-Pollination*, but *strategic Cross-Pollination* that is aligned with their core values.

At TS Designs, *Cross-Pollination* takes on several forms, including a more personal perspective:

I'm personally involved in a lot of things that I believe in, the food movement, sustainable agriculture, I helped start a cooperative grocery store, of course I'm connected to that, I'm starting a new Burlington Beer Works, another co-op, so I'm very connected to that, the local beer industry. I'm very involved with renewable energy so a lot of things I do personally are the same people we sell to from a business standpoint.

Eric Henry mentioned the idea that one needs to 'walk the talk' several times, and he takes that seriously in everything he does and the causes he supports. This belief came up with regard to personal purchases in some of the interviews as well. When speaking with Appalatch's owners, they mentioned that because they were sustainable apparel entrepreneurs, they could not just go to the mall and make a purchase. Every choice needs to be carefully considered; especially in what brands they wear. As Grace Gouin put it, "We have to like think hard about every single purchasing decision . . . every . . . single . . . purchase."

In essence, any *Cross-Pollination* should be carefully crafted and therefore is not always easy. Yet there are clear benefits to strategic *Cross-Pollination*, as Eric Henry of TS Designs points out, including the many people whom he can call on for advice and counsel on any number of issues:

I have lots of consultants. I've got a garden consultant, I've got a chicken consultant, I've got a renewable energy consultant, a honey consultant, I've got half dozen apparel consultants, all these people that support what we're doing and basically allow me to have access to their information so we can do a better job, but that relationship would have *never* happened if I was just trying to extract information from them so I could make more money.

This excerpt reflects how the benefits of being driven by more altruistic motives than profit make the various kinds of *Cross-Pollination* worth his time.

Sometimes *Cross-Pollination* is simply drawing inspiration from others who have gone before, as in the case of Randy Ashton at Collared Greens, who talked about emulating Patagonia, Tom's Shoes and LL Bean during the interview, as well as more practical kinds of information:

So we learned from Ralph Lauren and Vineyard Vines and some of these other brands, like, ties build companies, I mean, 'cause the margin is so good. It's one size fits all, it's not, you know, 35, 34, what's your waist size, we realized out of the gates, ties are a good thing to start with.

In a similar vein, during the interview with Lumina Clothing's founder, Barton Strawn referenced many companies that he sought to emulate, such as Anthropologie's positioning strategy, particularly its dearth of advertising and strong word of mouth. He also referenced the Ace Hotel chain, a relatively new hotel concept, which according to

its web site, exists not to reinvent the hotel experience, but to “readdress its conventions.” They believe that their “soulful” approach is what sets them apart, and makes people want to be a part of it. Strawn mentioned a desire to conduct business like the Ace Hotel in a holistic way that comes naturally:

I don't know if you've ever heard of the Ace Hotel, [I was] watching a little video that they did uh, this morning actually but one of the things that I love that they say in there is he said you know, we weren't trying to create a culture that people wanted to be a part of, you know, it was just what we did, and it's what we do, and it's what we're always gonna do, and if people like it, then that's great.

Clearly these sustainable entrepreneurs value *Cross-Pollination*, whether it takes the form of cross-merchandising, collaborative efforts, or drawing inspiration from others, including other brands in the marketplace. However, this *Cross-Pollination* is strategic, carefully thought out, and not random in nature. For the participants, *Cross-Pollination* means identifying and/or collaborating with companies whose products align with their core values.

Production

The third conceptual area that emerged from the data is Production. Production is a crucial factor for all of the participants, and a topic where, as business owners, they spend a great deal of time and energy. Specifically, each participant's business model is largely based on the choices made with regard to Production. The four key themes that emerged within this conceptual area are *Strategic Sourcing*, *Localization*, *Transparency*, and the *Triple Bottom Line Conundrum*. Each is discussed below.

Strategic Sourcing

Strategic Sourcing was a key theme that resonated throughout the interviews. Where and how participants sourced their products was of the utmost importance, and was a source of pride as well as frustration. Specifically, domestic sourcing, while a deliberate choice, is also a chronic challenge for most of the participants. As Natalie Chanin describes it, “We could do a whole day just on supply chain. It’s a big hairy beast that has lots of heads that are sometimes beautiful, and sometimes really ugly.” Her statement points to the delicate nature of the supply chain in the realm of sustainable apparel. That is, sometimes things come together and work like a well-oiled machine, and other times one tiny change, or a series of changes, can set off a major catastrophe, as in the following example from Alabama Chanin:

There are no small family spinners anymore, so to get the organic cotton spun, you have to spin with Parkdale. Parkdale has a 20,000-pound minimum. It’s part of the problem with the thread, like, we actually buy our thread from a lady in North Carolina, but the closest place she could find that would spin organic cotton is Holland. It’s a tragedy. Supply chain stuff in the US right now is tragic. Like a third generation family spinner closed their doors about six years ago, and that was when our entire supply chain, or maybe it was five years ago, our entire supply chain collapsed because of one spinner. They were the last spinner in America that would sew, would spin less than 20,000 pounds of organic cotton.

As Natalie points out, the supply chain is crucial to sustaining a robust domestic manufacturing presence, yet as small businesses like her spinners go out of business, it can upset the entire supply chain. Participants also demonstrated a strong determination in working with suppliers whose values and principles align with their own. For example, Appalatch explained how they select the suppliers they work with:

We absolutely love the people we work with, and we *choose* to work with the people we work with because of their mission, their sustainable mission and the way that they, that they treat their employees and the products that they produce.

Most participants acknowledged that having the right partnerships with the right people was crucial to the success of their businesses. In fact, participants discussed the fact that they knew and approved of every single partner in their supply chain, from the farmers to the spinners, as well as dye houses and production facilities. In other words, the participants personally vetted everyone involved in the production of their products. As Appalatch noted:

We want to go all the way back and figure out the right and best material and the best people to use, especially not coming from the apparel industry, and not having those connections. Getting out there and talking with mills, factories, and trying to convince them to work with us, it took us a while but what we found is there's a lot of really great companies and mills and factories out there who really want to work with people who want to bring back manufacturing, so we were really excited to be on that forefront of people coming back and reshoring in the United States.

Clearly there is a sense of pride and careful scrutiny that that goes into the selection of sourcing partners. Moreover, the participants feel that their supply chain members are truly partners, in that they share the same values and philosophy of sustainable design, like bringing back domestic production. Although the owners of Appalatch were the only participants that used the term *reshoring*, all of them discussed the idea as a key supply chain strategy stemming from the desire for localization or keeping production as close to home as possible.

Localization

A key component of strategic sourcing for all the sustainable entrepreneurs interviewed was that the production of their garments, from start to finish, was as “local” as possible. TS Designs developed a whole t-shirt program based on this concept called “Cotton of the Carolinas,” wherein the entirety of the garment, from the cotton fiber, to the spinning, knitting, and the finished product is all done within a 600 mile radius of the company’s Burlington, North Carolina headquarters.

Five years ago we launched ‘Cotton of the Carolinas’ which really defines the supply chain, where we go from ‘dirt to shirt’ in 600 miles, impact 500 jobs in a completely transparent supply chain. We connect the consumer to the farmer.

In a similar vein, the founders of Appalatch feel strongly about keeping production as local as possible:

So again for us is local production, creating jobs in the economy here. Our supply chain is pretty much [local], our wool comes from Montana, a few sheep and a few fleeces come from North Carolina. They take it to Jamestown, South Carolina for processing, they clean it and process it there, uh, from Jamestown, South Carolina it, it goes to our spinning mill in Pickens, South Carolina. In Pickens, South Carolina, it gets spun into, to really nice yarn. From there it goes to Lumberton, North Carolina to be knit into fabric. From Lumberton, North Carolina it goes to Morganton, North Carolina to be cut and sewn by a company called Opportunity Threads, which is a worker-owned sewing cooperative, and which we absolutely love to use. From there, it goes back to Raleigh, North Carolina to be garment dyed where Grace is just coming back from right now. After the garment dye process, it goes to Eric Henry [at TS Designs] for the screen-printing on the back neck label . . .

Indeed, *Localization* is a key driver for the participants. They see it not only as a strategic advantage, but also as a way of giving back in the form of supporting the local

economy, impacting jobs, and having a symbiotic working relationship with organizations that they believe in. An example of this is the partnership that Appalatch has with a dyeing company located in Raleigh, North Carolina called Tumbling Colors. They are working with Tumbling Colors on creating natural dyes for larger, industrial lots. As DeGuzman points out:

It's a little easier to take a few t-shirts and put it in a big pot and mix it, but when you're dyeing a thousand, two thousand shirts at a time, it gets a little bit more complicated than that, and getting that consistency is a little difficult, so we're in that prototype stage with him, because there are some really great natural dyes being grown in America.

This creative drive to discover new and better ways of developing large scale natural dyes has benefits that span far beyond Appalatch as a company, as the symbiosis between companies can help to grow the local farming industry for natural dyes, as well as Tumbling Colors' ability to support larger scale natural dye production at the same time. Participants talked about striving to keep all their productions local, but acknowledge that it is not always possible. For example, Lumina Clothing's owners initially wanted to base all of its production out of North Carolina, but quickly acknowledged the difficulty in developing a completely local supply chain:

Our original goal was to actually produce everything here in North Carolina, um, that was what we wanted, and what we were striving for, and that's something we're still striving for, is to get production back here into North Carolina . . . but we quickly learned that at least in the near future that's not really a feasible option for us just because they have kind of, most of the cities have lost their capabilities . . . the furthest away right now are our pants; they're in Chicago.

Although the owners of Lumina Clothing had to be realistic and search further afield for their sourcing partners, they professed a long-term desire to one day be able to move all of their production to North Carolina.

Bradley Rhyne at Ole Mason Jar also wants to keep production as close to home as possible, as he explained “. . . what we can control is where it gets made, and so making it in North Carolina is very important.” Indeed, the element of control was one that was discussed by many of the participants with regard to keeping production local. In fact, all of the participants were adamant about keeping production as local as possible, even if it cost more money to produce the product. A localized supply chain gives these sustainable entrepreneurs more control over their businesses in knowing what is happening with their supply chain firsthand, rather than it being made in an overseas facility. They all felt it was worth it for them personally, and admitted that they could not run their businesses any other way. Some, like Randy Ashton of Collared Greens, see it as a tradeoff:

We feel between organic and American made I mean, you have to weigh the balances but we do not like using, going overseas is just uh, you use all the natural resources to get it over there and back, fly it back and forth, and then you don't really know what's going on over there. So we think that giving the business to American manufacturers is closer to home, home grown.

As pointed out earlier in this chapter, Collared Green's philosophy prevents them from going overseas to produce their products, as it would not be in line with their beliefs.

Hence, *Localization* is not just a sourcing strategy, but is an underlying philosophy.

Transparency

In addition to keeping production local, participants expressed a strong desire for *Transparency* within their supply chains. Although a part of “Production,” *Transparency* also reflects the idea of Positioning, as these entrepreneurs want to be straightforward with their customers, and teach them about sustainability at the same time that they are adhering to their own values as sustainable apparel manufacturers. As Eric Henry points out:

People want transparency, they want to be connected to more local, you’ve got the impact of climate change, I mean, there’s so many reasons that I feel optimistic about where we are and the direction we’re gonna go because we’ve gotta balance the scales. We just swung so far to one side . . . it’s gotta come back towards the middle.

Eric believes that the apparel industry has gone too far in the direction of throwaway clothing through Fast Fashion. He believes that apparel consumers are starting to approach clothing consumption like they do food, where they are willing to pay more to know where their clothing comes from and how it is made. As pointed out earlier in this chapter in the conceptual area of Philosophy, he believes that his organization should *Be the Example*, and his approach to business reflects this idea, as well as that of

Transparency:

Basically being the apparel business that we need to be, that we all need to be, an apparel business that’s more conscious, that’s more focused, that’s more local, that’s more transparent, so we want to be that leader to say ‘There’s another way to do this business.’

For Lumina Clothing, discussing *Transparency* means striking a careful balance between telling the customer too much and not enough:

There's a company out of LA called Everlane . . . and they operate on this very transparent uh, model and we don't operate quite on that, on that level of transparency . . . they are good, their transparency, I think, it's great. And some of it I think is a little bit dangerous though too, just because I, one of the things we've learned with consumers is they want to know just enough information but not too much information, and so we try to find a happy medium . . .

Although not every company used the term *Transparency*, all did seem to emphasize its importance. For example, Ole Mason Jar's founder talks about it as telling the story of the product:

I think it's being open about it and I think that tells the best story, you know, we do get this made in North Carolina. It's on our web site, we'll describe it, and once we get bigger, we plan to tell that story even more. It's just that, you know, right now our sources are limited and you know, once we are working with more factories, with different types of product lines, we'll continue to let people know just like we do with the t-shirts.

The desire to educate the customer about supply chain decisions and to intentionally keep their processes transparent was common to all participants' approaches to production.

However, as apparel entrepreneurs, they grappled with achieving a balance between profit and the company values they expressed, which surfaced frequently in the form of the next theme, "Triple Bottom Line Conundrum."

Triple Bottom Line Conundrum

The *Triple Bottom Line Conundrum* means balancing price, profit and the values of being a sustainable apparel entrepreneur, including focusing on people, profit, and

planet. Among participants, the topic surfaced primarily with regard to the difficulty of finding a balance between the two opposing factors of profit versus the cost of producing a sustainable product. As Natalie Chanin of Alabama Chanin pointed out:

If we really wanted to use that traditional fashion markup, our pieces would be five times the price, and nobody would ever be able to buy them. Does that make sense? So we're, this part is having to scrape by, so that that part can, and so that's why like, doing the workshops here, it helps pay the insurance. It helps pay, like all the other things that we do, help pay for it . . . somebody's got to pay for the party.

From Chanin's point of view, one part of the business helps support the other, which is how they solve the *Triple Bottom Line Conundrum* of profit versus price. In other words, they make enough money from the workshops, books and other operations to offset the reduced markup on the handmade garments. If they just sold their handmade garments and did not offer workshops and the like, the garments would be prohibitively expensive for most people. However, since they conduct workshops that people pay to attend, and sell instructional sewing books as well as other items, this helps cover the deficit from a lower markup. Eric Henry of TS Designs sees it this way:

Our customers are coming to us not because they want a cheap t-shirt, because they can always find a cheap t-shirt, they're coming to us because of our vision to produce the highest quality, most sustainable t-shirts with the triple bottom line focus . . .

And at the same time, as he explained, there is a need to make a profit, yet this should not be the sole focus:

Ultimately, we have to change business in this country from the standpoint, it can not solely be based on profits. Profits are important, that moves things forward, but again, it's what's caused a lot of the problems we've got today.

Likewise, Eric broached the subject of profit versus planet and people. He feels that most apparel businesses are so focused on the bottom line that they have forgotten about doing the right thing for the environment and for people working in the industry. In his mind, the *Triple Bottom Line Conundrum* is one that needs to be dealt with head-on every day:

We believe in running a business based on the triple bottom line, so with that being said, it's every decision we make, every product we utilize, every service we utilize, it has to measure up to that triple bottom line test, now again, sometimes it might be better on the profit side, less on the environment, but they *all* have a seat at the table when that decision's made.

Appalatch's founder Mariano DeGuzman communicated the company's point of view about the dichotomy between profit and values in a different way, and perhaps one that runs contrary to what most apparel industry executives would desire:

Apparel companies absolutely love to get people to buy more and more of the products. I mean, that's the nature of business. That's how businesses stay afloat. Our model is, you know, we would absolutely love it if we put ourselves out of business by like putting our clothes on people and getting them to use it for a very long time.

To state that they hope to put themselves out of business seems completely counterintuitive to running a business. However, DeGuzman is making a point about the quality and longevity of the products they sell. This approach is the antithesis of Fast Fashion, whereby a garment is made to last only a short period of time. To Appalatch,

tackling the *Triple Bottom Line Conundrum* means making a higher quality, long lasting garment that may cost a bit more, which means fewer of them are needed/sold.

Another issue that surfaces relative to the *Triple Bottom Line Conundrum* is how sustainable clothing can be made more affordable to a larger audience. Although they do not have the answer, for the owners of Appalatch, the goal is clear:

For us, what we're trying to do with sustainability is to not only produce things in a very ethical manner, in a very local sense, but also producing it at a cost that is comparable, or even below products that are made abroad. And we think, kind of, finding this Holy Grail of really fashionable, sustainable products made in America at a price people can afford, is kind of like a win-win for everyone.

On a similar note, Barton Strawn of Lumina Clothing believes that sustainable apparel should be accessible to a larger audience as well as affordable, and grapples with this desire to balance the *Triple Bottom Line Conundrum* in his business:

How can we make American made accessible for a much larger portion of the population . . . you know, get people actually engaged in American made in a way that they don't feel like they're having to sell some, you know, organ to actually buy a piece of clothing.

Although he makes light of the fact that sustainable apparel can be prohibitively expensive, the main point is that he wants to make sustainable apparel affordable to more people, much like Appalatch's statement about reaching a mass audience, thereby overcoming the *Triple Bottom Line Conundrum* with regards to price. In other words, these sustainable apparel entrepreneurs are focused on finding the right balance between the price of the product and the need to make a profit so that their customers and their companies benefit.

In summary, three conceptual areas emerged that help to organize the data: Philosophy, Positioning, and Production. However, these areas are not mutually exclusive. Philosophy is a determining factor for both Positioning and Production. That is, when it comes to sourcing, because the participants all believe strongly in setting the standard for other organizations, as in the theme of *Be the Example*, it would go against their values to source overseas, hence, the theme of *Localization*. Likewise, in the conceptual area of Positioning, *Education and Leveraging Social Media* is a key theme, but the participants are careful to craft a message that is in keeping with their Philosophy. As Ole Mason Jar's founder points out:

We're very consistent with our branding and very consistent and I guess, intentional with how we do things, so if we're taking an Instagram photo, it's gonna tie in with our brand in some way. It's not gonna be like, you know, we're a very southern, traditional classic brand. We're not gonna take a picture of a Ferrari on our Instagram, you know, I mean, I like Ferraris, they're cool, but it doesn't tie in with our branding.

In other words, everything the participants do when it comes to Positioning and Production links back to Philosophy.

Another example of this is *A Bootstrap Mindset*, and particularly how it ties directly into how participants sought to strategically develop their supply chains from the ground up. This do-it-yourself attitude carries over into Positioning as well, with the participants crafting new ways to position their products through *Connectedness* and strategic *Cross-Pollination*. *Refusal to Compromise* impacts every decision the participants make, whether it is in terms of the sourcing partners they choose, or the end products they sell. Everything they do is grounded in the desire to do things for the right

reasons. *Transparency* is a good example of this, whereby the participants strive to keep their customers informed in a way that reflects their personal philosophy and values. Finally, the *Triple Bottom Line Conundrum* is always top of mind for the participants, as they take into account people, planet and profit with every decision they make, and although the methods used are not identical for each participant, each is in line with his or her company's core values.

Summary

This chapter presented a thematic interpretation of participant responses. Based on the data, three key conceptual areas of focus were discussed. Emergent themes within each area were explained. In the next chapter, a discussion of findings relative to this study's research purpose and objectives is provided.

CHAPTER VI

CONCLUSIONS AND IMPLICATIONS

The purpose of this study was to explore the role of sustainable entrepreneurship within the apparel manufacturing sector. Four specific research objectives were identified to address this purpose:

1. To identify the motivations of sustainable entrepreneurs within apparel manufacturing.
2. To examine the decision-making of sustainable entrepreneurs relative to apparel manufacturing.
3. To investigate the business models used by sustainable entrepreneurs in the apparel manufacturing process.
4. To explore the significance of these models for the future of the U.S. industry, particularly domestic apparel manufacturing.

This chapter includes the following sections: (a) discussion of the findings relative to the research objectives, specifically with regard to the motivations and decision-making of sustainable apparel entrepreneurs; (b) analysis of business model attributes based on the findings, (c) discussion of the significance of these attributes for the future of the U.S. domestic apparel manufacturing industry, (d) recommendations for new startups based on the findings, and (e) limitations and suggestions for future research.

Motivations and Decision-Making of Sustainable Apparel Entrepreneurs

Oftentimes motivations and decision-making are considered separately, yet for the participants in this study, motivations and decision-making are closely intertwined. That is, as sustainable entrepreneurs, all of the participants held similar viewpoints with regard to what motivates them and how and why decisions are made. Further analysis of the interview data points to four common drivers shared by participants when it comes to running their businesses: (a) *Altruism*, (b) *Self-Definition*, (c) *Symbiosis*, and (d) *Blind Impulse*. As depicted in Figure 5, each driver leads to the ultimate outcome of sustainable apparel entrepreneurship.

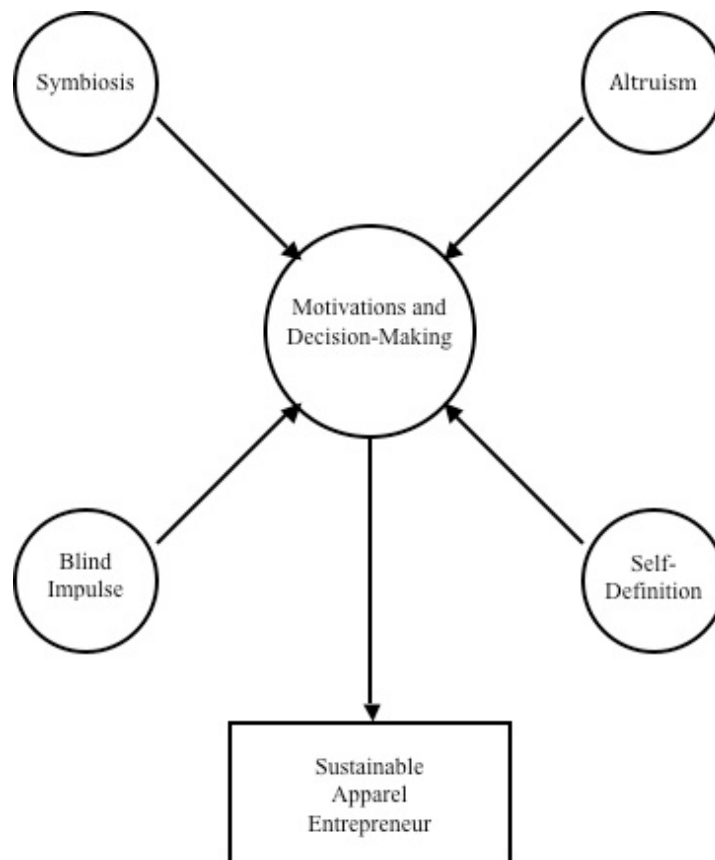


Figure 5. Motivations and Decision-Making of Domestic Apparel Startups.

Altruism

According to the dictionary definition, *Altruism* is a philosophical doctrine whereby right action is that which produces the most benefits for others. For the participants, *Altruism* starts with a combination of gut instinct and doing what they think is right, even if it is not the most popular or simplest route. As Natalie Chanin of Alabama Chanin explained,

Like it all just kind of came together and I started thinking about it, and then I tried to make decisions that were right, and so sometimes, you know, there were hard decisions to make.

For Chanin, the right decision is not always the easiest, but she continues to do what she feels is right:

You make a lot of hard decisions; you make a lot of decisions with your heart and not your head. And I'm gonna tell you right now, every time I made a decision that wasn't an easy decision, in the end, it always wound up being the right decision.

Barton Strawn of Lumina Clothing talked about how he approaches his decision-making through an altruistic lens:

We definitely don't make all our decisions based purely on profit. We definitely make some decisions that are based on what's gonna be the best thing for our brand, what's gonna be the best thing for our consumer, and we do our very best to make up for that in other places.

For Lumina's owners, making decisions based on 'doing the right thing' is a primary motivating factor, both in terms of what the company does and why. Bradley Rhyne at

Ole Mason Jar explained that when it comes to making decisions, “I wanna be perceived in a certain way and I wanna feel good about what I’m doing.” This thought process ties into the theme of *Be the Example* for the participants, as well as the final tenet of Slow Fashion defined by Cataldi et al. (2010), which is “practicing consciousness” (p. 49).

Many of the participants believed it was important to act responsibly and even wanted other companies to be held similarly accountable. As Strawn (Lumina Clothing) commented, “We like the word ‘responsible.’ We wanna be responsible with our company.” Being responsible is what motivates him to run his business in such a way that others seek to emulate him and his form of responsible decision-making.

Similar to responsibility, the idea of accountability was also important. For Randy Ashton at Collared Greens, it comes down to holding the company accountable for the product and the waste it produces:

Just getting a package of cookies, I was so turned off. I mean, there was a huge box and then plastic around the plastic container that they sat in, and it’s just like, that company should be accountable for all that they’re producing.

Randy believes that as a business owner, “you gotta stick to your principles,” which for him means making decisions based on what he believes in. He also felt strongly that decision-making is a joint activity, stating “We make major corporate decisions by really, the team . . . as a team, it’s like, the more minds, the better, you know, is our thought process.” A team-based approach further solidifies the goal of altruism as a motivating factor that guides the company’s decision-making.

Altruism is also a key driver of both motivation and decision-making for Appalatch. As Mariano DeGuzman stated, “our unofficial mission within Appalatch is to create the most sustainable clothing in the world, how do we get there?” This goal motivated the owners to form the business in the first place, and considerations of sustainability drive every decision they make. Indeed, as DeGuzman put it, although they are a ‘for-profit’ company, “we have non-profit ideals that live within us and how we work.” The owners of Lumina Clothing mirrored this sentiment, stating that the goal was not only to bring apparel production back to North Carolina, but to “give these textile cities their life back.” For these business owners, sustainability is a powerful motivator, and greatly impacts their decision-making. Not only does *Altruism* reflect the theme of *Be the Example* discussed in the previous chapter, it also relates to *Self-Definition*, to be discussed next.

Self-Definition

The second driver of motivation and decision-making is *Self-Definition*. Although this ties somewhat into *Altruism*, it is unique in that all of the participants define their decisions as ‘swimming upstream,’ specifically in regards to sustainability and ties into the themes of *Refusal to Compromise* and *Be the Example* that were discussed in Chapter V. For participants, running a sustainable business helps to define who they are and shapes how they want to be perceived by others. A good example of this is Bradley Rhyne’s (Ole Mason Jar) motivation to do something for the good of the world, and for the right reasons. In other words, the business helps to define him as an individual who perseveres in doing the right thing. Similarly, Eric Henry based his entire

company, TS Designs, around the idea of the triple bottom line. The three aspects of people, planet and profit not only motivate him, but also drive every decision his company makes. Although it defines his business, as he stated several times during the interview, it also defines him, in that “you’ve got to walk the talk.” In other words, the triple bottom line is not just something one talks about, it is something one does, and something one’s business lives and breathes every day. As he stated, “It’s basically the whole soul of your company. You’re either in it or you’re not in it.” This idea is reflective of the core of sustainable entrepreneurship, wherein the sustainable entrepreneur is involved in societal transformation through the convergence of environmental, social and economic objectives (Cohen & Winn, 2007; Hall et al., 2010; Parrish, 2010; Schaltegger & Wagner, 2011; Schlange, 2006).

Natalie Chanin talked about being a sustainable entrepreneur from the angle of design, stating “I think what all sustainable designers have in common is that maybe they think probably way too much, right?” For Chanin, to be a sustainable designer means being vigilant, in that, if partners do not think you care enough, they will switch to something cheaper and less sustainable. For Chanin, this constant vigilance, while difficult to maintain, (i.e., swimming upstream), is necessary, as it defines both her and her business. This definition, in turn, is a key factor in how she and the others run their businesses and is what makes these participants “sustainable apparel entrepreneurs” rather than simply “apparel entrepreneurs.”

Based on the data collected, the sustainable apparel entrepreneur is the product of a reflexive relationship between one’s core values and one’s end product, which results in

the affirmation of the entrepreneur as sustainable entrepreneur. Hence, *Self-Definition* is part and parcel of participants' motivations for being in business in the first place, and each individual's stance on sustainability is not only how each defines him or herself but extends to how each seeks to interact with the customer. Many feel the need to address the 'knowledge gap' when it comes to sustainable apparel, particularly through quality design and being mindful of the triple bottom line. Thus, alongside the two drivers of *Altruism* and *Self-Definition* that focus more on the internal processes of sustainable apparel entrepreneurs, the third driver, *Symbiosis*, is focused on the external relationships that exist with regard to sustainable apparel entrepreneurs and their businesses.

Symbiosis

The third driver of decision-making and motivation found among the participants in this study is *Symbiosis*. Like *Self-Definition*, this driver also reflects much of what it means to be a sustainable entrepreneur, but specifically with respect to relationships involved in producing the product. A good example of *Symbiosis* is the theme of *Strategic Sourcing* discussed in Chapter V, wherein both parties benefit from a sourcing relationship, such as Appalatch working with the dye house Tumbling Colors. Both parties benefit from developing more and better natural dyes; hence, the desire to create a symbiotic relationship factors into the how and why of the company's sourcing decisions. In this sense, *Symbiosis* aligns with the idea of *worthy contribution* developed by Parrish (2010), which pairs the idea of 'need' with 'contribution' as a way of selecting suppliers, hiring employees and using resources.

Symbiosis also plays an important role in sourcing relative to the theme of *Localization* also discussed in Chapter V. For example, Collared Greens starting working with a domestic factory specifically to begin crafting a mutually beneficial relationship:

A lot of the first products were crooked and this, that and the other, but I mean it's significantly gotten better over time, and we've begged them and told them pocket tees are very popular in our market, and then they said "we can't do it," and then they said "all right, we're gonna try" and they sent us first samples and they were terrible and then the second samples came in and they did a very good job. So it's interesting, and what I'm learning through all this is that, you know, we're paying a factory to learn to sew. Someday, that factory will be ours.

Beyond noting the long-term benefits of working with domestic vendors, Collared Greens goes so far as to train others in how to execute the type of garments they need. In doing so, they create a symbiotic partnership that truly benefits both parties over time. This is similar to the aforementioned study conducted by Pleith et al. (2012) of a German sustainable apparel company called Manomama that utilized *Localization* as a key strategy. In this study, the company took full advantage of the fact that the area had been a textile hub, so they called on retired workers, local libraries and professors to help them in areas of expertise that they lacked. Moreover, they utilized only local suppliers for their product, with the exception of those items that were unavailable in that region (Pleith et al., 2012).

Symbiosis is also a motivation and decision-making factor in regards to the kind of organizational structures employed by the participants. Many of them pointed out that they did not want their organizations to be a "top-down" hierarchy. Rather, they sought a flat, more transparent organization where everyone contributes and is valued equally. A

good example of this came from Appalatch's owners, who talked about having a symbiotic partnership with all of their employees:

I think we're both very idealistic people, and we really think about like, very collaborative ways to do business, and for us, we want to, to do some ownership shares for anyone who works within Appalatch. Our idea is to make it kind of like a very cooperative type of model, so be a corporation, but have it be a very cooperative model where you know, everyone who works there gets a chance to own equity in the company. And I think that, that just makes it fair for everyone as well.

Blind Impulse

The fourth and final driver of motivation and decision-making that surfaced in the data is that of *Blind Impulse*. This seemed to be critical to the participant's approach to running a sustainable apparel business. Participants frequently pointed out the fact that they made many mistakes along the way, but that those mistakes helped shape the companies in a positive way. Both Appalatch and Collared Greens mentioned getting in over their heads. Appalatch tried to produce outerwear at the outset of their business, and Collared Greens set up a cut and sew operation with no prior production experience. However, they admit that these experiences were more than just 'failures' in that they actually helped to shape their organizations in a positive direction over time. Hence, the ability to act on *Blind Impulse* can be seen as a motivational and decision-making factor for these businesses.

Moreover, a *Blind Impulse* can also help the business define what it *does not* want to be, as in the case of when the owners of Lumina Clothing realized that they did not want to be a company that had to deal with a middleman markup. That is, after attending

the Southern Men's Apparel Mart, they chose to be direct-to-consumer. In the case of Alabama Chanin, the *Blind Impulse* to change course was actually backed up by values. Seeing the dyeing methodology first-hand was not in line with her mission of designing responsibly:

After a few dye baths I saw that salt was just going onto the ground, I was like, wait a minute, that's not right, we need to find a better way to deal with this, and so we found a dyer who was EPA [Environmental Protection Agency] approved, you know, just one step at a time.

Lawrence and Phillips's (2004) institutional entrepreneurship study of the whale-watching industry has parallels to the sustainable apparel enterprises in this study, but particularly the following factor: that institutional entrepreneurship can be emergent, reactive and highly influential in shaping the field. This point is critical to understanding entrepreneurship in general, but particularly for the participants in this study, who felt that being open to *Blind Impulse*, whether reactive or emergent, greatly enhanced and benefited their sustainable businesses.

It is also interesting to note that unlike the participants in Rodgers's (2010) examination of sustainable businesses, participants in the present study were not experts in their field, nor did they have prior industry knowledge. In fact, the reverse is true. Most had very little, if any experience in the apparel business prior to starting their ventures. This is one of the most interesting findings of the study when contrasted with previous research on the topic. *Blind Impulse*, while not the most flattering of motivational and decision-making drivers, could be thought of as a crucial differentiating success factor for these sustainable apparel enterprises. As Randy Ashton of Collared

Greens stated, “I like ignorance a little bit so I can feel my own way.” Indicative of the broader definition of the sustainable apparel entrepreneurs that emerged in this study, these individuals forge their own way and are guided by core values. They have found success specifically by swimming upstream, rather than taking the path of least resistance.

Key Business Model Attributes

Based on the interpretation of data, and taking into account the four motivation and decision-making drivers just discussed, four key business model attributes emerged across all of the companies in this study. These attributes are: (a) Product Stewardship, (b) Value Alignment, (c) Strategic Partnerships, and (d) the Triple Bottom Line. Each is discussed in turn in the following sections.

Product Stewardship

In terms of *Product Stewardship*, each participant’s business model focused on key aspects of Slow Fashion, particularly those referenced by Pookulangara et al. (2013): (a) sustainable design practices, (b) production that focuses on quality, and (c) consumption that emphasizes education and longevity of the product. These aspects also relate to the notion of product stewardship as noted by Clark (2008), whereby one’s business model values local resources and economies, uses transparent production systems, and creates sustainable products with long lives. Further, much like the organizing principles of sustainable development developed by Parrish (2007), the participants consider what they are producing at all levels of the hierarchy, from the

company itself to the individual stakeholders and the social-ecological system in which their products are developed.

In a similar vein, the idea of Cradle-to-Cradle design developed by McDonough and Braungart (2002) is closely aligned with the business models used by the participants. Cradle-to-Cradle design focuses on the design process itself, involving the careful selection of materials and production methods that are least harmful to the environment, rather than simply the slowing down of processes. A good example of this idea is reflected in product stewardship is Appalatch's use of a fully-fashioned knitting machine to make custom sweaters with no waste. As DeGuzman explained:

You make a t-shirt, you have to create a bolt of fabric, and you lay it down and you cut on a pattern so you know there's all that waste, normally 20 or 30 per cent is thrown away, so for us, we're using like expensive wool from America, and all those resources that are used, watching all those table scraps is painful, really wasteful. There has to be a better way to do this, and we did a lot of work, did a lot of research, and found this fully fashioned knitting machine that has virtually zero waste and it was like, this is the answer, to not only create things sustainably, but we can use local fiber, we can create really small runs, or large runs. We can do things custom fit, which no one's doing, so it was kind of like a little bit of a Holy Grail for us.

All of the participants spent a great deal of time and effort to design their products in a sustainable, local, and thoughtful way, taking into consideration all aspects of the design process, from sourcing to production. Their *Product Stewardship* approach is the antithesis of the 'designed for the dump' (www.thestoryofstuff.org) Fast Fashion apparel.

Instead, participants are looking for hybrid production strategies that merge the idea of Slow Fashion with Fast, particularly with regard to being able to produce apparel sustainably on a large scale. Two examples of this approach are (a) 'small batch release,'

and (b) customized design. Several of the participants mentioned utilizing small batch release. Borrowed from the beverage industry, it is a form of Enhanced Design (ED) also used in Fast Fashion, whereby people are more inclined to purchase at full price when there is both limited availability and an attractive design (Cachon & Swinney, 2011). Customized design, as in the example of Appalatch's custom knitting machine, merges Fast and Slow Fashion by eliminating waste, while also allowing for the production of large quantities. Both strategies align with participants' focus on product stewardship and provide specific examples of a hybrid approach that uses the best of Slow and Fast Fashion.

Value Alignment

Value Alignment pertains to the idea that there should be a balance between price and quality (Markevich, 2009). Yet *Value Alignment* goes much further, as it mirrors the idea of Creating Shared Value (CSV) developed by Porter and Kramer (2011). CSV makes sustainability and social responsibility integral to every action. This idea is closely aligned with 'natural capitalism,' a term coined by Hawken et al. (1999). Natural capitalism questions the worth of a product based on the extent to which it diminishes societal benefits. For example, Grace Gouin of Appalatch said, "I don't want my stuff to hurt people. I don't want people to die to have to make my clothes." In other words, she wants to balance the benefit of the product with the social impact of its production.

In a similar vein, Parrish (2010) coined the term 'Benefit Stacking' to refer to the idea that whatever is developed must be balanced by the benefits derived by all stakeholders. Clearly, the participants weigh this type of *Value Alignment* with the

products they choose to develop and sell. As in the case of TS Designs, the owners believe that if the customer just wanted a cheap t-shirt they could go elsewhere, but they buy TS Designs t-shirts because they offer “a value beyond price.” In addition, Eric Henry stated, “If we were just here selling t-shirts, you know, for price, I’d left a long time ago. There’s a lot more to it than just a t-shirt. We’re trying to change the industry.” For him, being in the t-shirt business is much more than a paycheck. Rather, his goal is to balance the value of what he’s producing by producing it in a responsible, sustainable way, not only for himself, but also for stakeholders and customers alike. Similar to Slow Fashion’s “Gestalt theory” approach, the whole is considered to be greater than the sum of its parts, as each individual choice helps to craft the entire system (Solomon, 2011).

A key aspect of participants’ business models, *Value Alignment* also relates to the corporate mission, as pointed out by Markevich (2009), wherein an organization must answer fundamental questions like whether its products and services offer social, ecological and economic benefits. Similar to the *Triple Bottom Line* considerations, one factor mentioned by many of the participants was the ability to reach a mass customer with this approach, which would actually add an additional element of Fast Fashion to their business models. In contrast to the findings of Choi and Gray (2008), wherein a high-end positioning strategy was more favorable to the success of the sustainable entrepreneurs, in the case of this study, the participants were also dedicated to making sustainable fashion affordable for a broad audience. This holds true for all the participants, even Alabama Chanin, whose price points were the highest of all. To

achieve this goal, the company is in the process of adding a lower-priced label called A. Chanin, specifically to reach a larger target demographic.

Finally, *Value Alignment* bridges two ideas into a kind of ‘Panacea Hypothesis’ developed by Hall et al. (2010). That is, whereas Fast Fashion utilizes a low cost production-to-profit ratio, Slow Fashion is defined by value alignment plus low impact. The sustainable entrepreneurs in the present study are seeking *Value Alignment* on a lower cost production-to-profit ratio, but with low impact included in the equation. In the case of this study, sustainable apparel entrepreneurship can be seen as the best of both worlds, and as such, a positive change, or remedy, for the negative effects of Fast Fashion.

Strategic Partnerships

Strategic Partnerships is another key attribute of the participants’ business models. Somewhat similar to the cluster model strategy, whereby companies in close proximity operate in a symbiotic fashion (Porter & Kramer, 2011), participants actively sought out partners that were in NC and surrounding areas. Not only do these *Strategic Partnerships* include sourcing and production partnerships, but for the participants in this study, they also consider the customer as a partner, as well as the community at large. This expands the notion of the original cluster model by considering a greater number of key relationships as integral to the business model.

Most of the participants talked about having mentors who supported their businesses and helped them a great deal along the way. Eric Henry at TS Designs talked about how the company’s consultants are involved in making each other more effective at

sustainability. Barton Strawn at Lumina Clothing recounted a story of a local retail store-owner who took Lumina's owners under their wing and told them that their ties needed improving so that they could be more successful. Randy Ashton of Collared Greens shared a similar tale, where storeowners were calling him to order more merchandise and encouraging him when he was insecure about his products.

For participants, the idea of *Strategic Partnerships* is similar to “strategic satisficing” introduced by Parrish (2010), whereby an organization is able to support social and environmental concerns while at the same time derive a necessary threshold of financial success, yet one that is determined by what is fair and viable to all parties involved. For the participants in this study, *Strategic Partnerships* are a critical part of their businesses, in that *Strategic Partnerships* begin with finding others that share their Philosophy, and in turn, influence which companies they decide to use to source their products, whom they choose to consider as stakeholders, and how they position themselves as an organization.

Triple Bottom Line

Inherent in all of the participants' business models was a *Triple Bottom Line* approach, ranging from the most overt at TS Designs, whose mission statement was, in fact, the *Triple Bottom Line* of people, planet and profit, to those whose missions mirrored the *Triple Bottom Line* to varying degrees. All of the participants felt strongly about acting responsibly, caring for the environment as well as the people they worked alongside and interfaced with, and the production processes that they and their sourcing partners used. All felt the need to do good and act responsibly in whatever they did. In

other words, even if it was not explicitly stated, the *Triple Bottom Line* approach of weighing people, planet and profit emerged as a key business model attribute shared by all of the participants.

Where the participants differed as sustainable entrepreneurs was in their particular approach to implementing the Triple Bottom Line. For some of the participants, like the owners of Collared Greens and Ole Mason Jar, the approach used was to give a percentage of profits to the non-profit organizations they endorsed. For most, it was a strong desire for localized production, i.e., American made, to support the local economy. For others, it was a desire to make the most sustainable clothing possible, like Appalatch and Alabama Chanin. For all, the social, environmental and economic aspects of the Triple Bottom Line impacted their business models in some way, shape or form and on a continual basis. Examples of the four key business model attributes, their relationship to ideas in the literature, and specific corporate examples of those attributes are outlined in Table 4.

Table 4

Key Business Model Attributes

| Business Model Attribute | Supporting Literature | Company Example |
|--------------------------|---|---|
| Product Stewardship | Clark, 2008; McDonough & Braungart, 2002; Pookulangara et al., 2013 | Appalatch's purchase of fully fashioned knitting machine |
| Value Alignment | Hall et al., 2010; Hawken et al., 1999; Markevich, 2009; Parrish, 2010; Porter & Kramer, 2011 | TS Designs t-shirts that offer value beyond price with Rehance technology |

Table 4

(Cont.)

| Business Model Attribute | Supporting Literature | Company Example |
|--------------------------|---|--|
| Strategic Partnerships | Parrish, 2010; Porter & Kramer, 2011 | Appalatch working with Tumbling Colors to develop natural dyes |
| Triple Bottom Line | Elkington, 1997; Hockerts & Wustenhagen, 2010 | Collared Greens and Ole Mason Jar donating profits to non-profit organizations; TS Designs using it as their mission statement |

Significance for the U.S. Apparel Industry

Based on the above-mentioned key business model attributes, as well as the motivations and decision-making of the participants as sustainable apparel entrepreneurs, it is clear that they all share a vision of sustainability in the making and selling of apparel. This vision points to questions of broader impact, such as: *What is the significance of the findings for the U.S. apparel manufacturing industry at large? And What processes could be translated to a larger scale? Further, Are there steps that the participants use to give them a competitive advantage that might be utilized by the apparel industry at large? And finally, What aspects of Slow and Fast Fashion work effectively in these organizations? What methods do they choose to use, or choose not to use, and why?*

To understand the significance of this study and therefore address these questions, reflecting on the three conceptual areas of *Philosophy, Positioning, and Production* is beneficial. As it applies to the conceptual area of *Philosophy*, one of the key points that several of the participants made was that they deliberately included the concept of

sustainability within their business models from the outset, as a part of their corporate philosophy, such that it becomes an integral part of their organizations. This is not always an easy thing to do, but necessary, as pointed out by Collared Greens founder Randy Ashton, “It’s just including this stuff [sustainability] while you’re building the company and then you don’t really think about it. It’s just into the numbers, you know, but I know it’s tough.” The participants acknowledge that running a business this way is the more difficult path to take, but also note that it provides them advantages in the form of knowing that they are doing the right thing, maintaining their principles and feeling good about what they are doing as a business. Indeed, Barton Strawn founded Lumina Clothing based in part on the fact that the people he encountered told him that a cost effective, sustainable apparel business that offered products made in the U.S. was not possible.

The costs involved in building sustainability into the business model are difficult to quantify relative to profit, but it may be that these sustainable entrepreneurs choose this route out of the need for self-actualization, or self-fulfillment, which is the highest level of Maslow’s Hierarchy of Needs (Solomon, 2011). This factor is important for the domestic apparel industry as a whole to consider because individuals might prefer to work for, or support an organization that aligns with their personal values, and one that takes them into consideration as potential stakeholders, whether in the development of products, as an affiliate of the organization, or as a customer. Further, as more and more companies move towards this notion of sustainable fashion, they are less likely to be willing to compromise when it comes to those aspects of sustainability that they value.

For example, the participants specifically seek out those sourcing partners whose philosophies align with their own and they are unwilling to compromise when it comes to their values. Hence, if a manufacturer is pursuing profits without regard for the triple bottom line, it is unlikely that sustainable entrepreneurs will conduct business with that company.

Another aspect of the conceptual area of Philosophy, *A Bootstrap Mindset*, is a particularly important strategy for the industry as a whole for a number of reasons. Namely, there is a desire to forge the right path, even if it results in changing the entire industry. Indeed, many of the participants noted this as a goal they were ideally striving for. For example, Appalatch's desire to be a large company for a mass customer is the bootstrap mentality in action. As a result of this desire, they are developing a sustainable supply chain that will grow and evolve with them. As DeGuzman pointed out, "Our supply chain is built so that we can go from very limited quantity, let's say like a thousand t-shirts at a time, to 20,000 t-shirts at a time without a problem." This forward-thinking strategy is crucial for the industry at large to understand and adopt if it wants to align with the growing sustainable sector.

Another reason that *A Bootstrap Mindset* is important to understand has bearing on how and with whom these sustainable entrepreneurs do business. As an example, one of the common activities mentioned by several of the participants was to launch a Kickstarter campaign, a relatively new marketplace phenomenon. These sustainable entrepreneurs are embracing emergent, out-of-the-box approaches to doing business, like Kickstarter, which could be embraced on a larger scale. Larger organizations,

particularly ‘Greening Goliaths’ could learn much from understanding, or even emulating some of the bootstrap approaches that these sustainable entrepreneurs use. For example, a larger organization might start including hand-written notes in shipping boxes, as done by some of the participants in this study. Instead of viewing this do-it-yourself approach as a negative, they spin it into a positive for the company, and for the customer, in as much as the personalized touch adds value to the transaction and helps to create a bond between the customer and the company.

Another aspect of Philosophy that has significance for the apparel industry at large ties into the theme *Be the Example*. As Appalatch’s founder poignantly stated, “When I think about entrepreneurship, and I think about what we’re doing, I don’t think about it in terms of being a sustainable entrepreneur. I just think about being an entrepreneur that’s doing the right thing.” In other words, their core beliefs drive everything they do, and those core beliefs are pretty straightforward and simple, yet not always easy. This is important for the industry at large to understand because these apparel entrepreneurs will not compromise when it comes to doing the right thing, whether it be paying fair wages, using sustainable production methods, or being transparent with the customer, and they expect the same from their partners. They are setting a high standard for sustainability that others will be compared to.

When it comes to the third conceptual area of *Positioning*, it is important to note that sustainable apparel entrepreneurs do not operate in a vacuum. On the contrary, they are looking for *Connectedness*, whether with the consumer, the community, or through *Cross-Pollination* with other organizations. They achieve this through *Symbiosis*. In

other words, doing business with a sustainable apparel entrepreneur means seeing beyond what they can do for an organization, to what their organization provides for them in return, whether it be the example of Appalatch working in tandem with Tumbling Colors, or cross-promotion of products on a web site or Facebook post. In other words, *Connectedness* is key, whether or not the issue of profit is on the table, and for them, the most important goal of doing business together is achieving *Symbiosis*.

As a theme that emerged relative to *Positioning*, *Cross-pollination* is another idea that the industry as a whole can benefit from. There are already a number of large retail organizations that do this, such as JCrew and Target, both of which undertake high profile collaborations with other companies. However, the participants go a step further with the idea of *Cross-pollination*, in that it is not always distinctly profit-based, as in the case of designer collaborations by Target or items from another company for sale on JCrew's web site. For participants, *Cross-pollination* efforts can be profit-driven, but oftentimes *Cross-pollination* is merely about an appreciation for another company's products or talents that prompts them to write about or support that company. Such is the case with several of the participant's blogs, where they promote the musicians they enjoy, artists they appreciate, or food purveyors that they personally support.

This type of *Cross-pollination* is also a way by which the participants create a stronger bond with their customer base. By sharing their personal preferences with customers, they allow the customer to connect to them on a personal level. Admittedly, this may not be easily accomplished when done by a larger organization unless there is a particular figurehead. However, all companies have a corporate personality, and

allowing that company to cross-pollinate with other “like organizations” can only be beneficial over the course of time, even if there are no short-term profits associated with the activity. Much like when TS Designs spends money on solar energy that only benefits them over the long-term, companies might accrue cultural capital, which is important even when profit is not immediately self-evident (McQuarrie, Miller, & Phillips, 2012). That is, in the fashion realm, cultural capital is defined as the “ability to exercise discriminating judgments of taste and aesthetic quality” (McQuarrie et al., 2012, p. 139). In other words, these sustainable entrepreneurs are developing a classification of taste, promoted by their efforts toward *Cross-pollination*.

Education and Leveraging Social Media is something that many apparel organizations undertake to some degree. The sustainable entrepreneurs in this study rely on social media and use it on a daily basis, often in lieu of more traditional forms of marketing and advertising. In fact, Appalatch noted that they specifically targeted their Kickstarter campaign not only to purchase a crucial piece of equipment, but as a form of free advertising for their emergent business, which they would not otherwise have been able to afford.

It would appear that these sustainable apparel businesses take full advantage of social media for free advertising, yet they also used it as part of a their learning curves, as in the case of Appalatch, who originally thought that their product line would appeal to, as they put it, “people who shop at Whole Foods.” Instead, they found out through social media that people did not respond favorably when they discussed the sustainability aspects of their products, and preferred the individualized, exclusive nature of their

apparel, i.e., the ‘small batch’ approach. Ole Mason Jar referenced the same idea in terms of their product positioning. Hence, through social media, these companies learned what worked and what did not for their customer base without spending a great deal of money on market research, as larger organizations tend to do. As these sustainable entrepreneurs also pointed out in the interviews, the feedback they received helped them to realize that their customers thrived on “edutainment” instead of simply being educated about sustainability issues.

Based on the interviews with participants, *Education and Leveraging Social Media* actually works two ways, in that the entrepreneurs learned from their customer base while the customer base learned from them. All of the participants noted that they have someone devoted to engaging in social media, which most large apparel organizations also have. The difference is that these sustainable entrepreneurs view social media as a learning opportunity and a crucial customer engagement factor for their businesses. In addition, they realize the need to connect on multiple levels, from Twitter to Facebook, Instagram to Blogs in order to reach the broadest audience possible, and to allow their own personalities as individuals to surface.

The third conceptual area, *Production*, is reflected in part by *Philosophy*, in that the participants prefer to work with sourcing partners whose values align with their own. In addition, they choose to work with organizations whose processes and procedures are both transparent and local. Production companies that do not adhere to these expectations will lose out on potential business with sustainable apparel entrepreneurs. It is clear from the interviews that all of the participants spend a great deal of time and

effort in selecting and vetting sourcing partnerships. They do not view a supplier as a business transaction, but instead, a long-term relationship in the making. Those organizations that are simply looking to turn a profit will eventually be replaced by those who share similar values related to production.

The three conceptual areas also help to address how the perspectives of the participants as entrepreneurs might impact the apparel industry as a whole. With regard to *Philosophy*, larger organizations could begin to think more like entrepreneurs, and ask themselves, *What is their 'corporate soul' or personality?*, and *How might that be communicated to the customer on a more personal level?* Likewise, asking, *What are some of the perceived negatives that could be spun into positives?* Larger organizations could begin to think small in order to be not only more competitive, but more human. The participants in this study are champions of making silk purses out of sow's ears, as the saying goes. That is, they are able to take what many would perceive as a negative and deftly turn it into a positive. Moreover, they employ a *Bootstrap Mindset*, wherein mistakes are viewed not as failures *per se*, but as a necessary part of growth and development. Larger organizations typically view individuals who create a loss as liabilities to be dealt with; therefore they may have much to learn from the idea that mistakes are a necessary part of not just running, but improving a business.

In the realm of *Positioning*, the participants veer off from traditional marketing and advertising strategies due to budget, but in doing so they find creative and extremely effective ways of communicating with their customers. This could impact the broader industry in a number of ways. As more and more companies employ social media

strategies, entrepreneurs will continue to explore new options available to them in the marketplace, keeping them on the forefront of new approaches, such as Kickstarter. The industry at large also needs to be hyper-aware of *Connectedness* and *Cross-pollination* as it pertains to the positioning of their businesses. Are they giving credit to others where credit is due? Are they promoting those partners that impact their business but may not necessarily directly impact the bottom line? These are the types of questions that all apparel companies could consider, much like a sustainable apparel entrepreneur does.

Related to the conceptual area of *Production*, perhaps the most important question an organization must ask itself is where it falls relative to the *Triple Bottom Line* equation. As more and more entrepreneurs incorporate aspects of sustainability into *Production*, from *Localization* to *Transparency* to *Strategic Sourcing*, those organizations whose values are not aligned with the *Triple Bottom Line* will eventually be left out. It is possible that this will impact the apparel industry as a whole over time. Just as the food industry had a paradigm shift when consumers started caring more about how their food was grown and how animals were treated, similar types of concerns are being aired about production practices in the apparel industry. As Eric Henry of TS Designs stated, “the consumer *has* to take responsibility for their purchases,” and he sees this realization among consumers who understand the value of a more sustainable apparel product. Consequently, he feels that the *Triple Bottom Line* is his competitive advantage in the marketplace:

We’re 18 employees trying to manage this 500 person supply chain from dirt to shirt and it’s difficult compared to just buying something off the shelf. But it is

also our, it's kind of a double-edged sword, it's our competitive advantage, what people see value in, so that's what kind of keeps us in the game.

Even the largest organizations like Wal-Mart are starting to turn the tide and reshore a percentage of their business back to the U.S. (Loeb, 2013) as they see this paradigm shift begin to affect the consumer's purchasing behaviors.

Recommendations for Domestic Apparel Startups

Based on the findings of the study, what should a new apparel startup do in order to be successful? From both theoretical and practical perspectives, several recommendations can be made. These recommendations are presented in analogy form, specifically the analogy of marriage. When two people get married, they may not agree on everything, nor should they, but when it comes to building a future together, they should share the same goals. That is, the marriage partners may not agree on how to get where they are going, but they should be going in the same direction. For example, if one partner is more interested in money, and not in building a strong foundation, then the marriage suffers. It is much the same with a startup. Based on the data, *Philosophy* should be the key driver, not making money. The best example of this is Appalatch. The determination to make the most sustainable clothing in the world, and to do so on a large scale, has remained their most important business goal. Their aspiration to run the business with non-profit ideals may seem unusual, but so far it has served them well as they are building the foundations of their business. In other words, a start-up, like a marriage, should not worry about having goals that are too lofty, such as changing the

course of an entire industry. It just needs to hold to its principles and values in order to reach those goals.

A second recommendation pertains to *Blind Impulse*. Much like love at first sight, some of the longest marriages start out on a *Blind Impulse*. Many of the participants crafted successful businesses while admitting that they made a lot of decisions on *Blind Impulse*. They admit that the road was not easy and mistakes happen, but they do not look on them as failures. Rather, they see these mistakes as stepping-stones to growth and development. Moreover, they do what they can with minimal resources and seek to turn what some companies might see as negatives into positives. Doing these things is analogous to a newly-wedded couple living in their first apartment, wherein they have minimal resources, therefore they make what little they have work to their advantage. These entrepreneurs use the ‘underdog’ position to great effect, and interestingly, in some ways it gives them a competitive advantage over more developed, resource-rich institutions.

A third recommendation based on the findings is to visualize every undertaking as a long-term relationship to hone and perfect, much like a successful marriage. To be successful, everyone needs to be on equal footing. In other words, the relationships, including those of the marriage itself, are not hierarchical. Additionally, a startup should view every new sourcing partner, customer, and stakeholder as a relationship to be nurtured, respected, and even loved. Alabama Chanin includes this idea in its mission statement, stating that they do this by “showing love and care in all of our actions.” That is, as Natalie Chanin states, “We need to show love and care in all of our actions, whether

it’s the people we work with, the clothes we touch, or the suppliers we work with, our vendors, whoever it is.”

The idea behind this love is *Connectedness*, which is a crucial element of marriage, but also of a successful business. Appalatch offers an excellent example of this strategy, whereby they know and understand every single player in their sourcing structure, from sheep farmer to seamstress. As the business grows (much like a marriage once children come along and things get more complicated), if both parties adhere to core values then decisions are much easier to negotiate. TS Designs embodies this through its *Triple Bottom Line* approach to every decision made. For TS Designs, each aspect (people, planet, and profit) receives equal consideration. Table 5 includes the four main recommendations relative to the Conceptual Areas and themes that surfaced through the data.

Table 5

Recommendations for Domestic Apparel Startups

| Recommendation | Conceptual Area | Theme |
|----------------------------|----------------------------|---|
| Align your goals | Philosophy | Self-Definition, Triple Bottom Line Conundrum, Transparency |
| Allow for Mistakes | Philosophy | Bootstrap Mindset |
| Make the most of Resources | Positioning and Production | Bootstrap Mindset, Cross Pollination, Localization |
| Nurture Relationships | Positioning and Production | Connectedness, Cross Pollination, Strategic Sourcing |

Limitations and Further Research

This study has several limitations that could be addressed in further research on sustainable apparel entrepreneurs. First, the sample was limited to participants who own businesses in the Southeastern United States. Future research could include a broader sampling of apparel companies in the United States, as well as employ a global or even cross-cultural approach. Sustainable apparel is a global trend and one that warrants deeper understanding, whether on a global scale or from a cross-cultural perspective. It would also be interesting to compare countries where sustainability is more developed, and even mainstream, like Great Britain or Sweden versus other countries who have less experience in sustainable apparel. Such research would shed light on consumer perspectives as well as marketplace successes and challenges of sustainable apparel companies.

This study focused only on the sustainable apparel entrepreneur's perspective. An understanding from the perspective of the supply chain partners and/or the sustainable apparel consumer could shed significant light on other aspects of the business that might yield a more holistic understanding. As noted by some of the participants, they are working every day to build relationships with their customers and suppliers, therefore an in-depth exploration of those relationships could be very beneficial to broadening the scope of knowledge on the topic.

A quantitative study of consumer perceptions about sustainable apparel companies' online identities would be a useful study, such as an update of Dickson's (2000) study related to attitudes and intentions to purchase sustainable apparel, in order to

see how consumers perceptions may have changed in the last fifteen years. In addition, discovering what apparel consumers think about specifics like fabrics, designs and colors from an assortment of sustainable apparel companies could benefit designers, buyers and emergent apparel businesses alike. Through such research, a deeper understanding of the effects of sustainable production could be discerned.

This study was limited to “Emerging Davids.” Further research is needed on “Greening Goliaths.” An examination of current business models among “Greening Goliaths,” or even a study of those that have updated business models might be beneficial. Knowing how these large institutions are trying to change and create more flexibility to sustainability within their structures would give the industry at large fresh insights into more mature infrastructures, market positioning, and implications for possible business model improvement at the corporate level.

One area that was not explored, given the scope of this study, was end-of-product life/recycling on the part of sustainable entrepreneurs. This is a key component in the Cradle-to-Cradle (McDonough & Braungart, 2002) sustainable business model and could be addressed in research that seeks to understand what strategies organizations employ in this arena and how recycling programs and end-of-product life cycle impacts these businesses as a whole.

Last, another topic in need of further examination is the domestic supply chain. Based on the data collected for this study, this is an area where sustainable entrepreneurs spend a great deal of time and effort, therefore it warrants greater attention. This angle could be explored from the perspective of the entrepreneurs, specifically the criteria they

look for in suppliers, how they build their supply chains, and why. It could also be explored from the supplier's perspective, to uncover the challenges they face in the process, as well as how they go about selecting the apparel companies they work with.

This study explored the particular motivations and decision-making of sustainable apparel entrepreneurs. In doing so, it shed light on the business model attributes, including hybrid Slow and Fast Fashion approaches, that sustainable apparel entrepreneurs employ to great effect. Conceptual areas of *Philosophy*, *Positioning* and *Production* were examined and themes were uncovered based on the data collected from six sustainable apparel enterprises in the southeastern United States. Findings help to address a paucity of information about this growing sector of the apparel industry. Understanding their motivations, decision-making, and business models has direct bearing on the apparel industry as a whole. By examining sustainable apparel entrepreneurs, this study helps to envision a future of fashion that is not fragmented, but connected. This study sees a future that is not as fast, but slower and more deliberate in its execution, quality driven, transparent, and finally, sustainable in its approach to manufacturing apparel.

Summary

This chapter discussed the findings relative to the purpose and objectives of the study. Four key drivers of motivations and decision-making of sustainable apparel entrepreneurs were discussed, as were four key business model attributes and the importance of those attributes for the domestic apparel industry at large. Finally, study limitations and areas for future research were addressed.

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APPENDIX A

INTERVIEW SCHEDULE

- I. Individual and Company Background
 1. Name, age, gender, occupation, education level,
 2. Tell me about your background prior to starting the current business.
 3. Tell me about the history of the company, i.e., facts and figures to date.

- II. Startup phase of the Business
 4. How (and when) did the business emerge?
 5. Why did you start the business? What were the motivating factors?
 6. When did you first know you were interested in starting the business?
 7. Can you describe how (and when) you became interested in the sustainable aspect of apparel manufacturing?
 8. What were the most important sources of information that influenced you?
 9. What about sustainable fashion is important to you?
 10. Why this/these particular apparel product(s)? And is there a particular target customer? If so, who is he/she?

- III. What they do, relevance of the business, their products and services
 11. Tell me how the business is set up...corporate structure, employees, and mission.
 12. Tell me about your product line. Why did you make it the way you did?
 13. Tell me about your supply chain? Why did you set it up this way?
 14. Sustainable businesses normally follow the triple bottom line of economy, environment and social value creation. How does your business fit into this structure?
 15. What do you do to keep your employees motivated and committed to your corporate values?
 16. Can you describe how difficult (or easy) it is to be a sustainable apparel producer in today's market?
 17. Tell me about your marketing efforts, both B2B and B2C.
 18. How do you stay information/involved with your customers (e.g. web sites, blogs, etc.)?
 19. How do you make major corporate decisions?
 20. What gets you out of bed every morning, i.e., what excites you about what you do?

21. How would you describe your management style?
22. What 'rules' or mantra do you live by, and how does it impact the way you run your business?
23. Tell me about what you do. What does a typical day (or T & A calendar) look like?
24. Tell me about innovation and value creation from a sustainable point of view.
25. How do you educate your staff, customers, supply chain?

IV. Beliefs and attitudes about being a sustainable entrepreneur

26. How do you feel about being a sustainable entrepreneur?
27. What do you enjoy about it?
28. What do you not enjoy about it?
29. What types of benefits come from being a sustainable entrepreneur?
30. What aspects of your life are different now than when you first became a sustainable entrepreneur?
31. What role do your beliefs play in your decision to become a sustainable entrepreneur?
32. What would you change about your business if you could?
33. What challenges do you face and how do you tackle them?
34. Are there any other factors that you'd like to discuss with regard to your attitudes/beliefs that impact your business?
35. On a broader scale, how do you feel about the future of sustainable entrepreneurship?
36. How do you feel about the future of domestic apparel manufacturing? The apparel industry in general?
37. Any trends you see? What about sustainable entrepreneurship trends? Why or why not?

V. Wrap Up

38. Do you have anything to add or discuss that I haven't covered?
39. Is there anything I should have asked?
40. How did the interview feel for you?

APPENDIX B

CONSENT FORM

THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

CONSENT TO ACT AS A HUMAN PARTICIPANT

Project Title: Sustainable Entrepreneurship in Apparel Manufacturing

Project Director: Anne Mitchell, Master's Student, UNC-G

Project Advisor: Dr. Nancy Nelson Hodges, UNC-G

Participant's Name: _____

What is the study about?

This is a research project for a Master's thesis. Your participation is voluntary. The purpose of this study is to examine sustainable apparel manufacturers.

Why are you asking me?

I am asking you to participate because you are at least 18 years of age, have been part of a sustainable apparel manufacturing business, either through affiliation, employment or participation in a corporate event.

What will you ask me to do if I agree to be in the study?

If I ask you to be interviewed, you will participate in a 1 ½-2 hour interview, in which you will discuss your experiences with sustainable entrepreneurship in apparel manufacturing. I will also ask you to be available for a review of your interview transcript once it is completed. This review will take approximately 1 to 2 hours. If you are a participant in a workshop where I am an observer/participant, you will be audio recorded. See the next section below.

Is there any audio/video recording?

Digital audio recording will be used to ensure reliability of the data collected and to capture relevant perspectives of sustainable apparel entrepreneurship. Because your voice will be potentially identifiable by anyone who hears the tape, confidentiality for things you say on the tape cannot be guaranteed although the researcher will try to limit access to the tape as described below.

What are the dangers to me?

The Institutional Review Board at the University of North Carolina at Greensboro has determined that participation in this study poses minimal risk to participants. As stated above, there is a slight risk of a breach of confidentiality. Measures that will be implemented to minimize this risk are described in the confidentiality section below.

If you have questions, want more information, or have suggestions, please contact Anne Mitchell at 704-942-8548 or amitch2@uncg.edu. You may also contact the faculty advisor, Dr. Nancy Hodges at 336-256-0291 or nancy_hodges@uncg.edu.

Approved IRB
AUG 15 2013

If you have any concerns about your rights, how you are being treated, concerns or complaints about this project or benefits or risks associated with being in this study, please contact the Office of Research Integrity at UNCG toll-free at (855) 251-2351.

Are there any benefits to society as a result of me taking part in this research?

The primary benefit to society may be contributing to the understanding of how sustainable apparel entrepreneurship helps those in the manufacturing sector.

Are there any benefits to me for taking part in this research study?

There are no direct benefits to participants in this study.

Will I get paid for being in the study? Will it cost me anything?

There is no compensation for participating in this study, nor does it cost anything to participate in this study.

How will you keep my information confidential?

Consent forms, transcripts and journals will be kept in a locked filing cabinet of the faculty advisor on campus. Audio files will be kept on the student's password-protected computer, and participants will not be identified by name when data are disseminated. All participants will be assigned pseudonyms. No more than seven years after the close of the study, the consent forms and journals will be shredded and audio files will be erased. All information obtained in this study is strictly confidential unless disclosure is required by law.

All photographs will be kept on the student's password-protected computer. Your face will not be exposed in the photographs in order to protect your confidentiality.

What if I want to leave the study?

You have the right to refuse to participate or withdraw at any time, without penalty. If you do withdraw, it will not affect you in any way. If you choose to withdraw, you may request that any of your data, which has been collected, be destroyed unless it is in a de-identifiable state.

What about new information/changes in the study?

If significant new information relating to the study becomes available which may relate to your willingness to continue to participate, this information will be provided to you.

Voluntary Consent by Participant:

By signing this consent form you are agreeing that you read, or it has been read to you, and you fully understand the contents of this document and are openly willing consent to take part in this study. All of your questions concerning this study have been answered. By signing this form, you are agreeing that you are 18 years of age or older and are agreeing to participate, or have the individuals specified above as a participant participate, in this study described to you by Anne Mitchell.

Signature: _____ Date: _____

Approved IRB

AUG 15 2013