

APPAREL AND ACCESSORIES

Luxury fashion commits to philanthropy, with tangible results: Fashionbi

August 12, 2016



Stella McCartney pre-fall 2016

By FORREST CARDAMENIS

Philanthropy and charitable contributions have emerged as essential elements of a fashion brand's image, according to a new report from Fashionbi.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

While galas, auctions and sponsored fashion shows have never been abnormal, a growing number of big-name brands, including Versace, Burberry, Bulgari, Cartier and Gucci, have established or teamed with charity foundations dedicated to specific causes in recent years. Consumers naturally aspire to luxury brands, thus transforming brands into role models that must demonstrate genuine concern for social causes in order to maintain that interest from consumers.

"Taking philanthropic actions every now and then works in the favor of the brands, and if implemented rightfully, can generate an accelerated emotional liking toward the brand and turn their potential customers into loyal brand advocates," said Ambika Zutshi, CEO of **Fashionbi**, Milan. "For instance, as analyzed in Fashionbi's latest marketing research on **Fashion & Philanthropy**, there are brands that were created with the sole reason of giving back.

"While they keep this aspect ongoing, they have now entered into the commercial side of business as well, and the former association has definitely helped," she said. "Toms is one such brand that launched its One for One initiative, where for every Toms shoe purchased, a person in need is helped.

"If and how a brand promotes its noble contributions is what, at the end, can attract more of an audience toward it."

Role model

Fashionbi breaks fashion brands into three different groups: those that were created to give back, those that generate jobs for people in need and those with charity projects.

While brands such as Toms and Sarah's Bag have popularized the first two models in the mass-market world, luxury brands remain involved virtually exclusively in the third category. Capsule collections and products designed to promote a charity have become commonplace, but the "buy one, give one" model of Toms and Warby Parker directly undermine the exclusivity of luxury.



Bulgari B.zero1

Fashionbi highlights Bulgari's B.zero1 collection, which has raised more than \$50 million for Save the Children, an organization that promotes rights for children and provides relief for children in developing countries. Bulgari's donations go toward education initiatives and improving school infrastructure, a cause that has been promoted with the #RaiseYourHand campaign featuring a slew of models and celebrities.

Aside from donations tied to products or product lines, brands will also host or sponsor galas, design uniforms for charitable sporting events or donate ticket revenue from fashion sales.

Other times, brands will call directly on consumers to raise funds, helping to cultivate a more concerned and worldly image.

This month, U.S. fashion label Diane von Furstenberg is going dollar-for-dollar with philanthropic consumers to fight against homelessness among women.

DVF has recently partnered with The Empowerment Plan, a Detroit-based nonprofit that works toward breaking the cycle of homelessness for single women and their families. DVF teamed with The Empowerment Plan due to its relationship with its founder Veronika Scott, the recipient of the People's Voice Award presented during the 2014 DVF Awards ([see story](#)).



DVF spring/summer 2016 runway

The Internet provides a level of transparency that makes it difficult for brands to sweep controversies or insufficient charitable work under the rug. It also has granted consumers access to information that traditional news media may have ignored in the past.

These two factors have spurred growing consumer interest in a range of social causes, and brands have followed accordingly. Charitable work needs not only to be done, but also to be done visibly, prompting brands to recruit influencers and celebrities and coordinate publicity blitzes to emphasize their good deeds.

A well-publicized charitable event then impresses upon potential customers who, admiring the brand's example, will be more likely to purchase its product for the first time and subsequently become more loyal followers.

Nevertheless, the ongoing support on the part of brands shows that these initiatives are not simply optical stunts to lure customers.

"We analyzed many brands with many different levels and core-businesses, and it was found that if a brand does

commit to a cause, it stays true to it and is able to rightfully support it," Ms. Zutshi said. "Any initiative undertaken by the brand that has also been deeply analyzed in the research has been a true one with a real motive to help, and not just a marketing gimmick.

"However, from our past research, such as [Sustainable Fashion](#), we did see that a marketing campaign revolving around a cause could not always be pulled off or perceived in a proper manner," she said.

"With Ralph Lauren's The Dog Walk campaign to promote the adoption of shelter dogs featuring the brand's then released Fall 2013 accessory collection, the people thought, While the brand is supporting a noble cause, the number of cows that might have been killed for the leather of the handbags is not justified."

Trendsetters

Aside from creating intangible benefits, philanthropy also reflects positively on a brand's bottom line.

Speaking at The New York Times International Luxury Conference earlier this year, Claudia D'Arpizio, partner at [Bain & Company](#)'s luxury goods vertical noted that with more than \$853 million spent on philanthropy by luxury, brands saw a return of at least \$1.13 billion, in free media. Free media resulted in 3-5 percent more articles on brand charity initiatives, as they are more consumer facing, resulting in increased brand awareness and a big return for the brand.

As for consumers, 94 percent of respondents to Bain's survey felt luxury houses should be involved in philanthropy and 63 percent expect it. This is proving more vital for the millennial generation as they are more likely to support environmental causes ([see story](#))

British fashion label Stella McCartney is among the luxury brands with the most visible and continued dedication to a range of charitable acts.

Recently, Stella McCartney pounced on cat overpopulation through its support of the nonprofit activism organization People for the Ethical Treatment of Animals.

In the brand's boutiques around the world, neon cats were installed in the windows, creating illuminated awareness for the campaign. As many luxury houses are put in PETA's spotlight for alleged abuses, Stella McCartney is instead teaming up with the organization due to shared values and advocacy ([see story](#)).

"Many luxury labels were first to be involved in causes as compared to the mass market brands," Ms. Zutshi said. "Also, the latter needs to have a foolproof plan since it is often associated with all the unethical means in the production process.

"While the world famous charity events like Met Gala or amfAR Gala do remain the platforms via which each and every brand can contribute - be it in organizing or sponsoring the event or via celebrity purchases, etc. many brands have taken it to another level by having some lines totally dedicated to support a cause or having their own charity foundations altogether," she said.

"For instance, Kering Group's The Kering Foundation, founded to combat violence against women, or Ralph Lauren's The Pink Pony Fund to support cancer research that was launched when Mr. Lauren himself lost a close friend to this disease. Again, irrespective of the market segment, as long as a brand is able to promote its association with such events/causes, it will be visible and appreciated in the eyes of the consumers."