

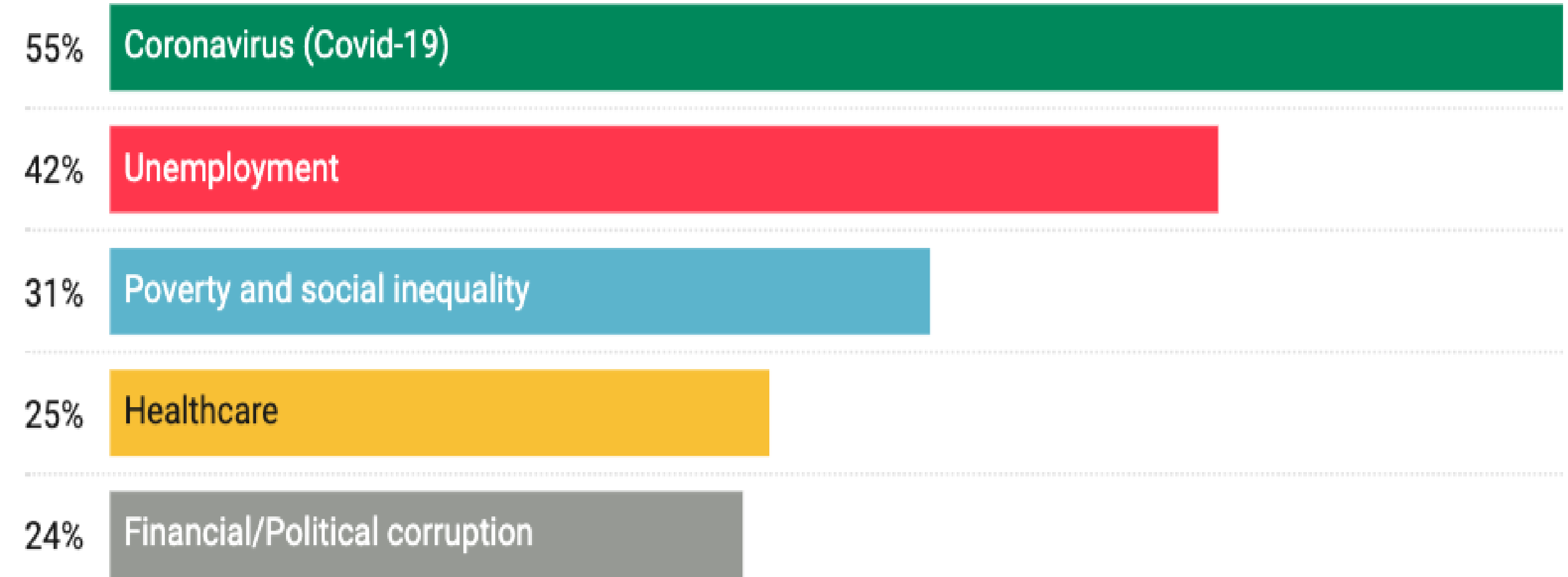


香港紡織及成衣研發中心  
The Hong Kong Research Institute of  
Textiles and Apparel

# Sustainability as Competitive Advantage



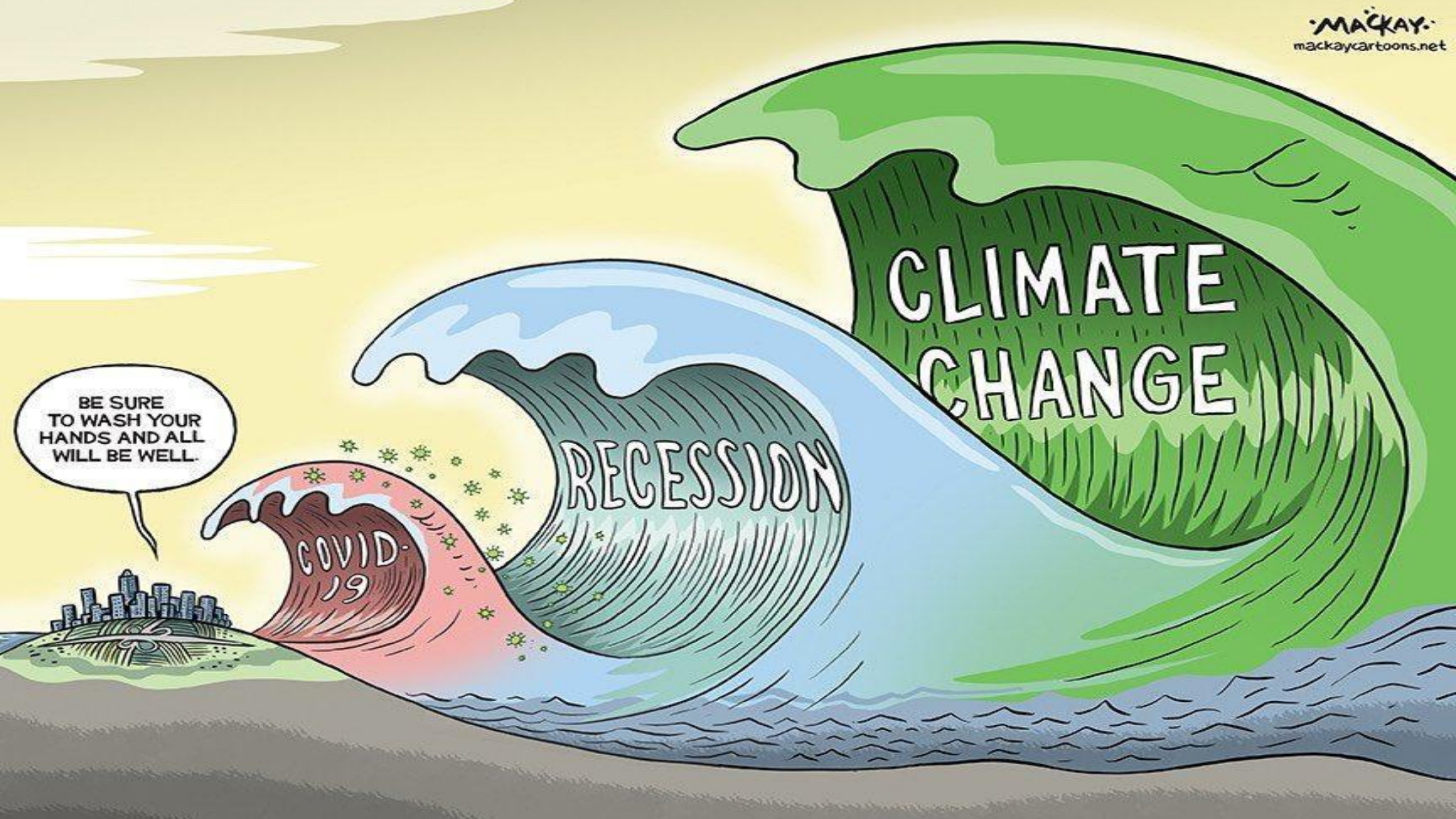
# The top five global concerns



*Research among adults aged 16-64 in 27 participating countries. c. 19,000 per month. (May 2020).*

Source: Global Advisor • [Get the data](#) • Created with [Datawrapper](#)





BE SURE  
TO WASH YOUR  
HANDS AND ALL  
WILL BE WELL.

COVID-19

RECESSION

CLIMATE  
CHANGE



# GROWTH PROJECTIONS

The COVID-19 health crisis will have a severe impact on economic activity in 2020

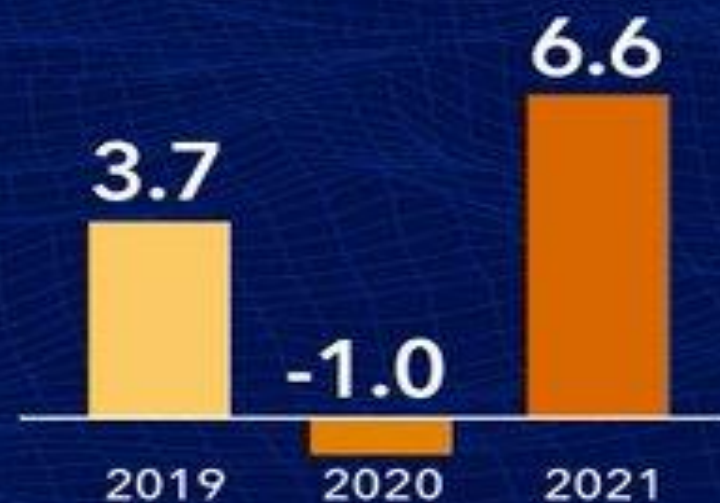
## GLOBAL ECONOMY



## ADVANCED ECONOMIES

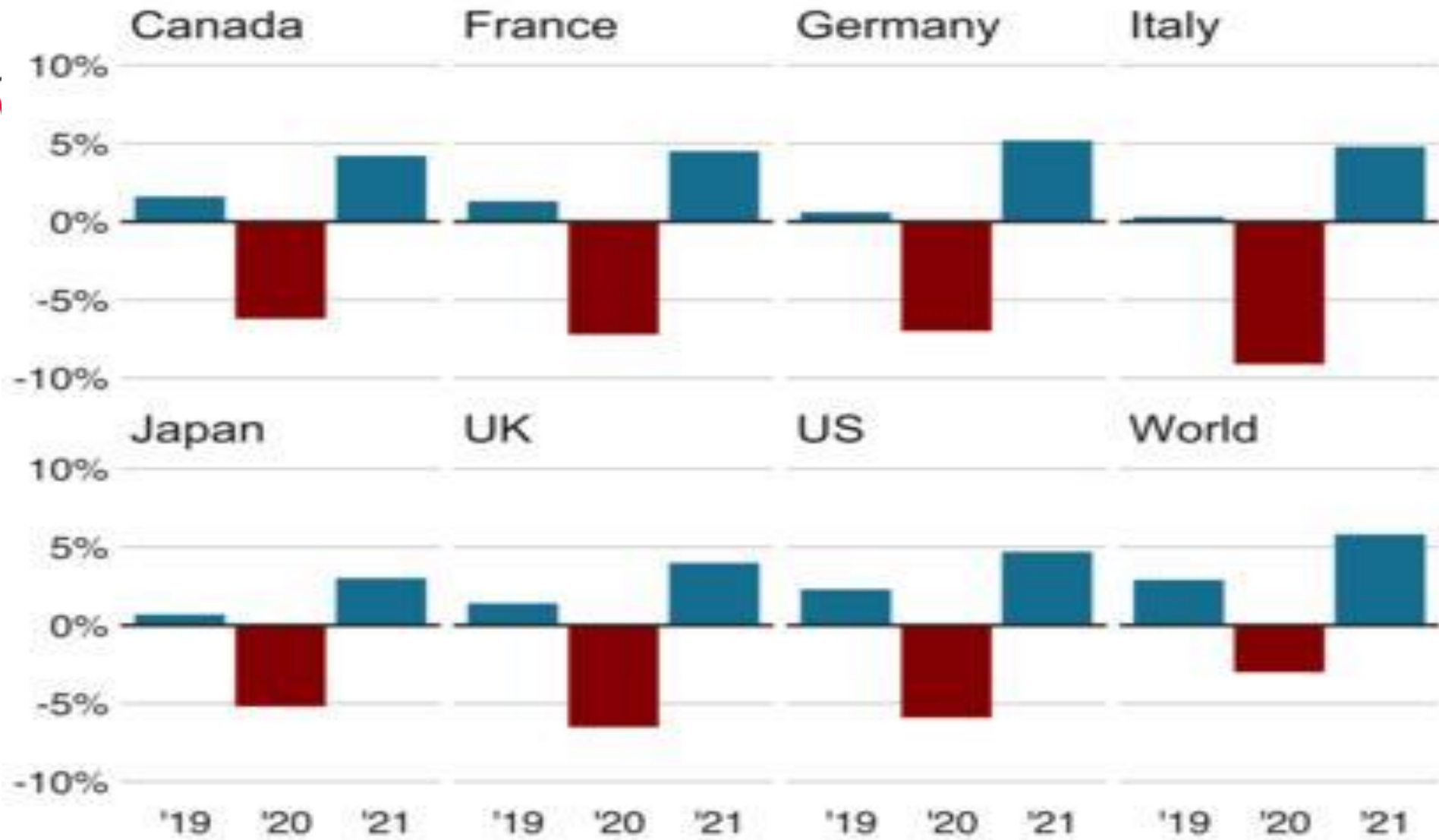


## EMERGING MARKETS & DEVELOPING ECONOMIES



# All major advanced economies will be in recession this year

National annual GDP

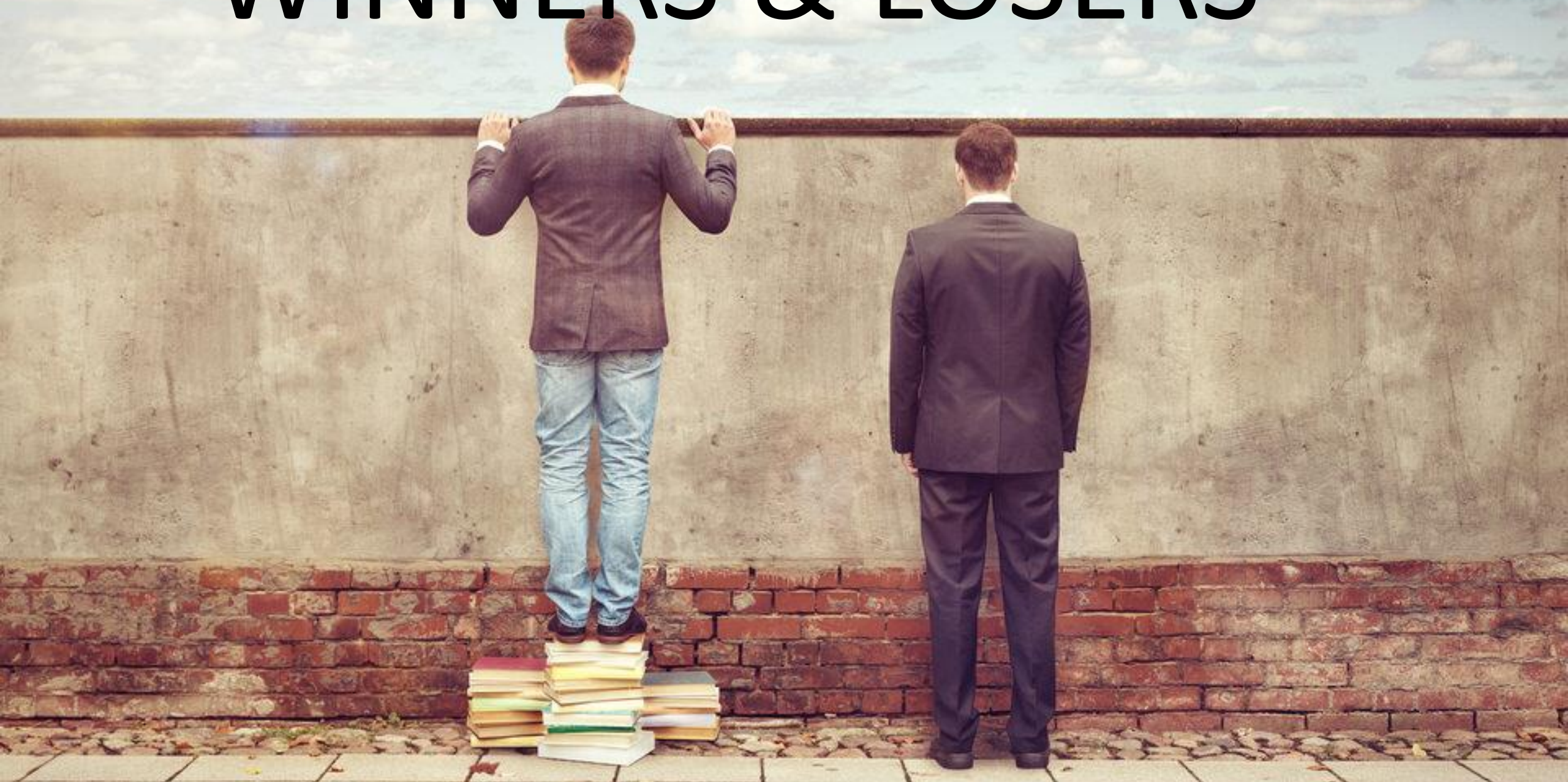


Source: International Monetary Fund

BBC



# WINNERS & LOSERS







**READY FOR THE  
NEW NORMAL?**



# Ten themes will be crucial for the fashion industry in 2020.

## Global economy

### On high alert



Turmoil could disrupt developed- and emerging-market economies, and indicators of recession risk are spurring companies to build resilience.

### Beyond China



Although China provides exciting opportunities, the market can be hard to crack; companies should consider other high-growth geographies as well.

## Consumer shifts

### Next-generation social



To maximize return on marketing spend, fashion players need to hone their social-media strategy.

### In the neighborhood



Convenience and immediacy are key, and companies must reduce friction in the customer journey via in-store experience and localized assortments.

### Sustainability first



Fashion players need to swap platitudes and promotional noise for action on sustainability measures such as energy consumption, pollution, and waste.

## Fashion system

### Materials revolution



Alternative materials, including sustainable substitutes, may be on their way to adoption at scale.

### Inclusive culture



Consumer and employee pressure will continue the push for fashion players to emphasize diversity and inclusion.

### Cross-border challengers



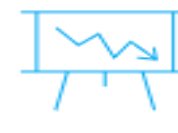
Established players will face competition from Asian challengers, including small and medium-size enterprises selling directly to global consumers.

### Unconventional conventions



As direct-to-consumer activity rises, traditional trade shows must adapt.

### Digital recalibration



Although some fashion-tech and digital fashion players have reached unicorn status, concern over their ability to turn a profit is growing.

Source: Business of Fashion—McKinsey State of Fashion 2020 Survey



# WORKING KNOWLEDGE

Business Research for Business Leaders

20 YEARS

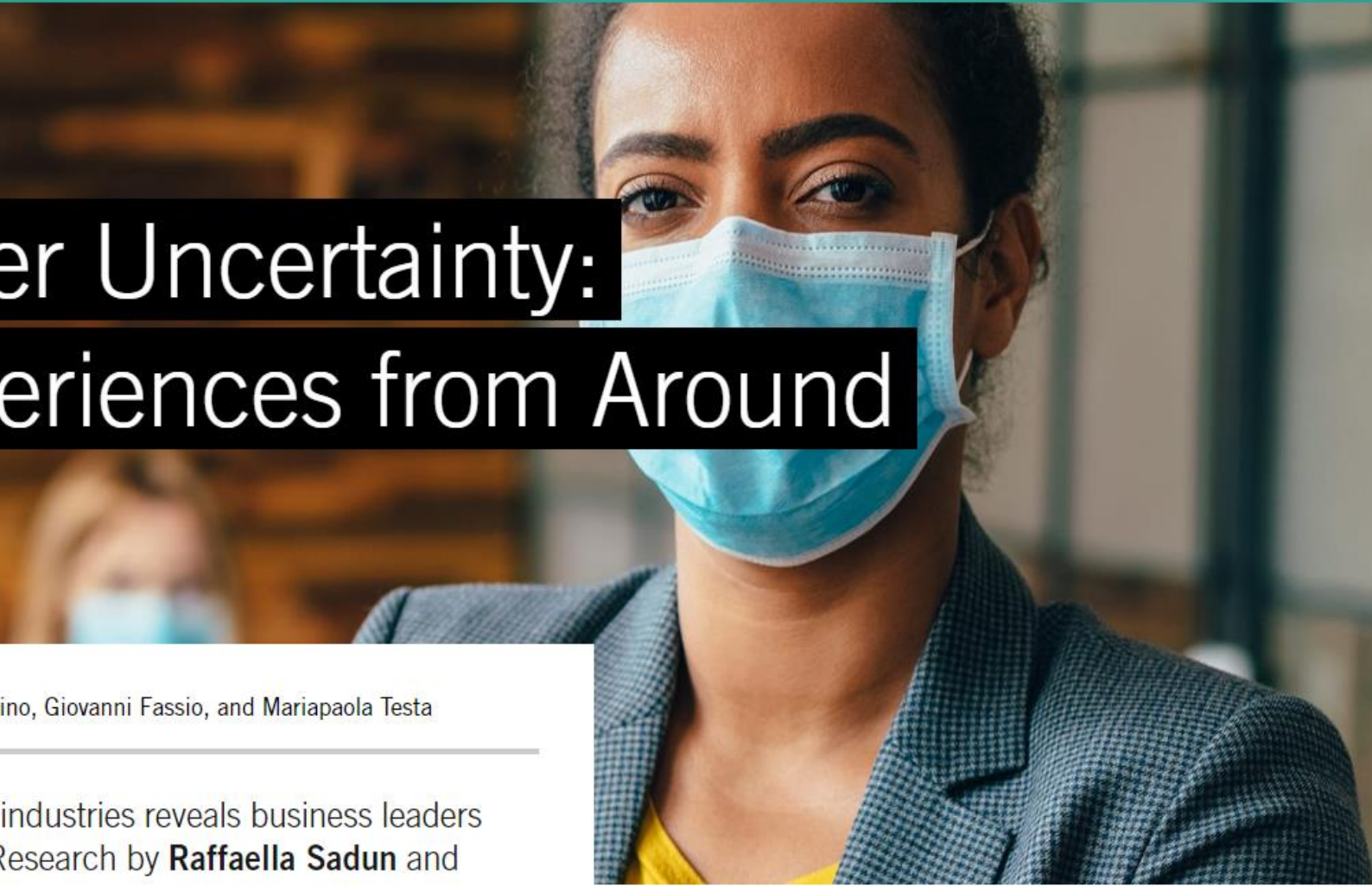
Topics ▾ Sections ▾ Browse All COVID-19 Business Impact Center

## RESEARCH & IDEAS

# Restarting Under Uncertainty: Managerial Experiences from Around the World

14 JUL 2020 | by Raffaella Sadun, Andrea Bertoni, Alexia Delfino, Giovanni Fassio, and Mariapaola Testa

A survey of 50 companies across countries and industries reveals business leaders are hard at work adapting to the COVID threat. Research by **Raffaella Sadun** and





## -Assume Nothing will be the Same

### 1. Learn Quickly and Adapt

Uncertainties, Noisy Signals, Rapid Changes,  
Act with Imperfect information

### 2. Sustain Your Ecosystem

Interconnectedness of supply chains

### 3. Change Your Value Proposition

Our customers needs have change

### 4. Communicate

What's changed, what's new

**1. Don't Just Reopen** - Rethink the Store

**2. Earn and Maintain Consumers' Trust**

**3. Radiate Value** - adopt fast "test and learn", deliver increased personalization.

**4. Follow the Consumer** - "enhance companies' understanding of consumers."

**5. Communicate Purpose** - "Customers and employees appreciate brands that exhibit a social purpose and communicate honestly."

McKinsey  
& Company

Retail Practice

### An early view of post-COVID-19 discretionary spending in Asia

A survey of consumers in China, India, and Indonesia shows how the COVID-19 outbreak has affected their plans for discretionary spending—and which shifts could be part of the next normal.

by Stephanie Chan, Mohana Chugh, Felix Pisk, and Simon Wittels





# EXTRINSIC VS INTRINSIC



**20TH CENTURY**

Advertising  
Ego  
Status  
Power  
Unsustainable

**21ST CENTURY**

Reputation  
Community  
Sharing  
Weconomics  
Sustainable

# BEFORE

A dark, jagged, rocky landscape with a silhouette of a person standing on a ledge. The scene is rendered in shades of brown, black, and gold, with sharp, angular shapes and a sense of depth and shadow.

Look Good  
Do Less Harm  
Cost Less  
Passive

# AFTER

A bright, futuristic, blue and white geometric structure with a person walking on a platform. The scene is rendered in shades of blue, white, and black, with sharp, angular shapes and a sense of depth and shadow.

Feel Good/Feel Safe  
Do More Good  
More Value  
Active





Not all *superheroes* wear capes,  
but all wear **PPE suits.**

**Be a hero in your own way.**



**SHOP NOW**





  
*kamiseta*  
INTRODUCING OUR  
NEW DAILY UNIFORM:  
**SAFETY  
MEETS  
STYLE**  
THE PPE JACKET  
FOR EVERYDAY

The advertisement shows a tan safety uniform consisting of a jacket and pants. The text is positioned to the right of the uniform images.





# Sustainability

Multidiscipline Research Partnerships

Carbon Negative Materials

Irrigation/chemical free cellulose

New protein materials

PFC free DWR

New Separation & recycling

# Industry 4.0

Reindustrialization – micro smart manufacturing  
New manufacturing on demand -3D print/sew/knit  
Predictive Analytics – AI, Big Data, & other tools  
New Biological processing systems  
New Retail Models  
Smart integrated apparel manufacturing systems

# Better Society

Self-sterilizing , self-cleaning materials

Wearable systems

New functional materials

Composite Stretch materials

Electro chromatic materials



# The 3Rs



doing less bad things, or making incremental improvements...

# The New 3Rs for Sustainability for the 21<sup>st</sup> Century

It's not about  
doing less bad things, or  
making incremental  
improvements...



*We Need to Change Course*

# The New Consumer



Green, Recycled content,  
Ready to be Recycled again,

Protect- antiviral,  
Easy care- self cleaning,

Planet Positive, Social good,



# The New 3Rs



**Reimagine**



**Repurpose**



**Reinvent**

# The New 3Rs



Reimagine

Land, water, air is cleaner  
Communities enriched



Repurpose

Business as a force for Good  
New metrics for profitability



Reinvent

New Materials,  
New Processes,  
New Supply Chains

# The New Consumer



Green, Recycled content,  
Ready to be Recycled again,

Protect- antiviral,  
Easy care- self cleaning,

Planet Positive, Social good,



**Repurpose  
Sustainable**



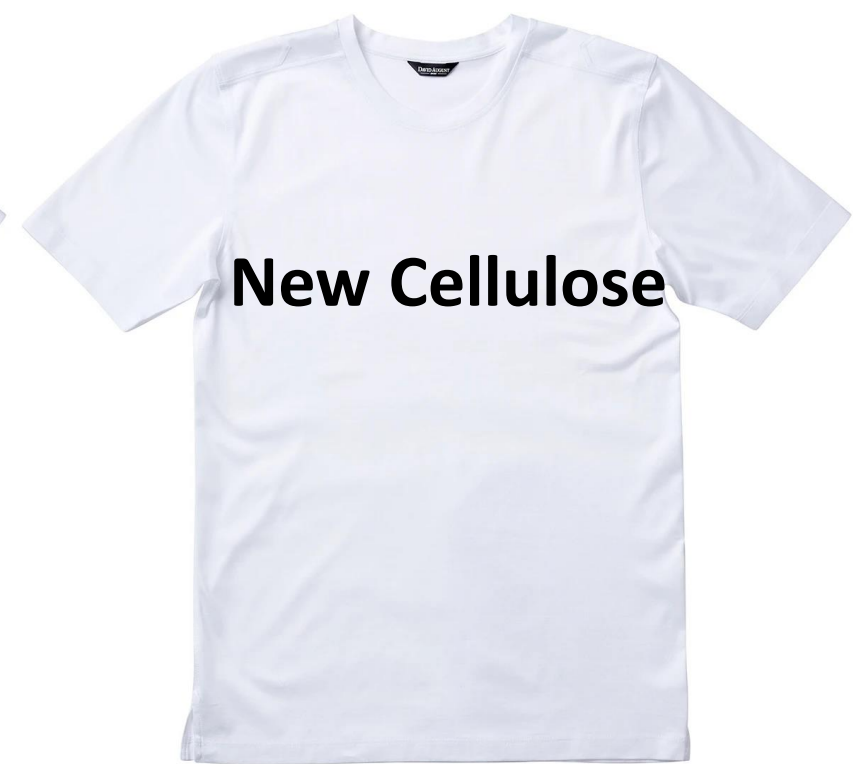
**Adaptive,  
future proof**

**Reimagine  
Healthy**



*Inform*

**Reinvent  
Good**



*protect*



Winners  
or  
Losers





Last  
or  
First?





香港紡織及成衣研發中心

The Hong Kong Research Institute of  
Textiles and Apparel

[edwinkeh@hkrita.com](mailto:edwinkeh@hkrita.com)