

January 2023

2024 Fashion Scholarship Fund Case Study

ESG: The Intersection of Brands, Environment, and Society

Marketing

The fashion industry's growing interest in environmental, social, governance (ESG) has developed from increasing sustainable actions and the desire to measure brand impacts, reporting actions and results to consumers. ESG is still new for many brands, but it is fast becoming an important framework in the fashion industry as leaders seek to align environmental, economic, and social actions with the desires of customers (Morgan Stanley, 2022; Fromm, 2021). Building on widespread interest in corporate social responsibility (CSR) which allows business to be socially accountable through self-regulation (Heyward, 2020), ESG takes a brand's commitment to transparency a step further emphasizing quantifiable actions. ESG enables brands to track their actions which are integrated into three pillars: environmental, social, and governance. ESG is not only about taking action, it is also about reporting impact, and giving back to the environment and society (Chua, 2020; Morgan Stanley, 2022).

Marketing: Connecting Brand Storytelling to Brand Actions through Authenticity

For fashion connoisseurs, authenticity has become more important than making an impactful statement, particularly if the statement is greenwashing (WGSN, 2021). Marketers are striving to build a trusting relationship with customers by sharing honest messaging about the good things brands are doing, what they aren't yet doing, and what they hope to do in the future. Kenneth Loo, chief executive of Chapter 2 Agency said it well, "There's no smoke and mirrors in this anymore, you have to be transparent" (Deeley, 2022). Greenwashing has become a hot topic in fashion due to inconsistency in sustainable guidelines and messaging, but increasingly, brands are utilizing personal stories, large-scale impact, and data to communicate environmental actions and positive changes over time (BOF Team, 2022).

As brands strive to minimize harm, make a positive impact through environmental and social initiatives, and communicate their actions to consumers, authenticity is an important part of the message. In 2020, Patagonia ran the "Buy Less, Demand More" campaign. Aligning with the brand's mission, the reversible poems in the advertisements which could be read front-to-back or back-to-front drew attention to the urgent and impending climate crisis (Patagonia, 2020). In ongoing activities, environmentally and socially focused brands Cocokind and Nisolo consistently communicate with customers about their sustainable practices, providing consumers with information and allowing them to decide if the product is right for them (Bethany, 2021; Fashion Revolution, 2021). You may also consider the social pillar of ESG in your campaign. For example, the sustainable luxury brand ATP Atelier launched a kitsch anti-perfect-summer campaign that shifted their marketing focus from their environmentally sustainable merchandise to the brand's own staff (Kim, 2022). According to Co-Founder Maj-La Pizzelli, "I definitely think that adds a kind of warmth to the brand which I love. It's very 'us'." (Klerk, 2019). Moving forward, as fashion brands address global issues and the industry's impact (Friedman, 2021), marketing will continue to evolve with messages about environmental and social actions that may mirror other industries, like the Apple Carbon Neutrality Plan (Apple, 2021).



Your Role

You are the Chief Marketing Officer for a brand of your choice. As CMO, it is your responsibility to develop strategies that address the stages of the marketing funnel and communicate brand actions, goals, and values. It is also your responsibility to use analytics to assess the effectiveness of marketing activities and track consumer retention. Your overarching goal is to drive return on investment (ROI) through acquisition or new customers and retention of loyal customers. In the task at hand, you must build authentic, trust-based customer relationships through communicating your brand's environmental message, avoiding greenwashing.

Case Study Objective: Authentic Brand Campaign to Build Trust

Your objective is to create an authentic brand campaign to circulate information about new or existing environmental brand actions, goals, and/or strategies. Connect your marketing strategy to the brand's environmental agenda. Your campaign will include a marketing plan focused on authentic messaging addressing the positive actions the brand has or will take. The actions highlighted in your campaign should align with the goals the brand has for the future. In creating your campaign, consider how you will avoid greenwashing and build consumer trust. Your marketing plan should include insights on the actions to be communicated, the brand's approach to authenticity through marketing and consumer communications, consumer insights, and brand strategy. Your marketing plan will target a specific element of your brand's environmental goals and target a segment of the brands consumers. You must clearly explain why this marketing strategy is relevant for the brand and the consumer segment. Explore values, attitudes, and behaviors of the consumers you are targeting to validate relevancy of your communication. Allocate resources in your brand's marketing plan across marketing strategies that support authentic, environmental and social messaging such as consumer call to action or brand accountability, that you have identified as impactful for your target audience. The timeframe of your marketing plan should be one-year. Address how your campaign will create trust with consumers and build customer value.

When it comes to ESG, brands may track consumer engagement with campaigns and marketing messages, but they must also consider their own accountability. Develop an analytical approach to interpreting the success of your anti-greenwashing campaign which will relate to the environmental actions the brand is taking. In the realm of ESG, measurements of a successful marketing campaign must reflect the intent of the message. You may step outside of traditional measures of success; brands continue to utilize new and diverse measures to improve understanding of marketing success and audience perception.

You are to select a mono-brand, *not* a multi-brand retailer. Examples of mono-brands include those mentioned above (e.g., Atelier ATP, Patagonia, Cocokind). The brand that you select should be generally well-known. Your brand may be pure-play or operate across channels (e.g., brick-and-mortar, e-commerce, or multichannel). It is suggested that you choose a company that is publicly traded so that information regarding the company is easily accessible. The brand that you chose must be a fashion apparel, accessories, footwear, home, beauty, or health & wellness brand. Your campaign must introduce new or evolved concepts for the brand. Your marketing plan should focus on evolving the brand's ESG communications through an authentic, anti-greenwashing campaign. Presentations should be formatted to deliver to the executive team of your chosen brand with clearly identified strategies and target outcomes.



Marketing Submission Format

This year, cases should be submitted as a minimum 15-page slide deck and no more than 20-pages with appendices and references. The slide deck should be in landscape orientation, with slides sized for on-screen show 4:3, 10" x 7.5". Submission files can be created in any software of the applicants choosing (PowerPoint, Keynote, Adobe InDesign, Illustrator etc.), however all cases <u>must be submitted in a PDF format</u> without video or sound.

The following slide sections should be followed. Minor adjustments to slide order may be made.

Section 1: General Introduction Slides (2-3 Slides)

- Must be the first page/slide of the deck. Include a title, your case study discipline, and one sentence summary of your campaign.
- Write an executive summary, covering all components of your case study. People reading your
 executive summary should get the essence of your case study without the fine details. The executive
 summary should be in paragraph format, no longer than 300 words. Be sure to briefly summarize
 your personal vision for your authentic brand campaign. It should highlight your chosen brand's ESG
 activities and actions that will allow the brand to continue to evolve. Explain how the campaign will
 resonates with the brand's goals.
- Optional. Include a one-page table of contents outlining the subsequent sections of your case study.

Section 2: Research (3-4 Slides)

Summarize key findings from your research regarding ESG activities, marketing strategies, and consumer drivers related to ESG. This research should relate to your marketing campaign while demonstrating rigorous research across best-in-class market players that support your choice of brand.

- Address consumer perception and activities in the fashion industry regarding authenticity and environmental messaging.
- Explore activities happening in the fashion industry regarding environmental and social initiatives. Explore how those activities are being communicated.
- Provide an example of a company that has communicated their environmental or social initiatives clearly and had an impact. This company should be a point of inspiration for your marketing strategies. The company does not need to be a fashion brand; it can be a retailer or operate outside of fashion.
 - Be specific about the impact the campaign made. This may be a measurable impact, such as new customer acquisitions or return on investment. Your insights regarding impact may also be analysis of value, such as interpretation of cultural value or social good.
 - For example, the Tory Burch foundation supports women entrepreneurs through fellowship programs, grants, events, and access to educational resources. The foundation has had a significant cultural impact, providing more than \$1.5 million in grants and supporting more than 180 female entrepreneurs.
- Assess your chosen company's existing environment actions and how they are communicated. This
 may include their sustainability goals, ESG strategy, CSR strategy, or related goals. Your objective is
 not to collect and analyze specific ESG or marketing data, but at a high level to evaluate overarching



communication strategy surrounding ESG. It should include specific tactics, activations, or content to support your campaign's strengths and weaknesses.

- Assess how your chosen company currently communicates their environmental and social activities.
- o Include strengths, weaknesses, opportunities, and threats of the current ESG strategy.
- Your objective is to identify information regarding brand actions that may be aligned with your authentic, anti-greenwashing, marketing message.
- Address the different channels the company uses for marketing and communicating their environmental activities. Do they use press releases or marketing campaigns? Do they utilize traditional print channels (e.g., billboards, transportation ads, flyers)? Do they use digital marketing (e.g., social media, online marketing, tv)?

Section 3: Target Audience (1 Slide)

Identify the brand/retailer's customer segment that will be the target audience for your marketing campaign.

- Describe the customer characteristics, familiarity with key ESG concepts central to your campaign, and how the consumer group fits within the brands overarching brand strategies.
- Describe the customer's relationship with the brand. Consider if it is a loyal customer, need-based customer, new customer, etc.
- Utilize research to describe consumers' lifestyle characteristics, behaviors, and attitudes that may be relevant to the brand actions marketing plan you will propose. Consider consumer attitudes that may affect authentic messaging.

Section 4: Campaign Plan (3-5 Slides)

Propose a one-year authenticity and trust-centered marketing plan that will connect your chosen brand's marketing messages with their brand actions. The message should communicate how the brand will achieve the brand's ESG goals or specific environmental actions being executed/planned. You may develop new tactics that align with the overarching brand goals within your campaign.

- Present the overarching strategies of your plan as well as details regarding specific marketing actions.
 - Outline the marketing and communication strategies including campaign messages and digital brand strategy.
 - Identify how your campaign will emphasize honest actions and avoid greenwashing.
- Connect your marketing campaign to the brand's purpose, DNA, goals, and/or environmental vision.
 - How does the campaign relate to the brands reason for being? The campaign may relate to specific environmental goals.
 - Describe how your marketing plans will evolve the brand's vision.
 - Present the connection of your marketing plan to overarching environmental actions of the brand. This is likely to connect back to the brands strategy relating to ESG, CSR, or sustainability.
 - Clearly identify the goal(s) of the marketing campaign.
- Create a one-year strategic marketing plan to maximize your authentic consumer relationship and trust among your chosen cohort.
 - o Consider the flow of your various marketing actions.
 - Specify what content will be "always on." Highlight key brand and marketing actions.
 - Demonstrate which aspects of the plan address current environmental brand actions, and which address future brand actions.



- Demonstrate which aspects of your marketing plan have been evolved or maintained from existing marketing strategies.
- Your strategic marketing plan should include:
 - Channels to use for each tactic (e.g., social media, influencers, billboards, TV, PR).
 - Marketing content (e.g., the marketing message or creative description, ad unit format).
 - Your strategy should include both paid and free marketing tactics.
- Address the impact your campaign will have on the target audience and how each aspect of your marketing plan will align with the various stages of the marketing funnel such as awareness, consideration, conversion, and loyalty.

Section 5: Competitive Advantage (1-2 Slides)

Present the competitive advantage of your marketing plan.

- Conduct a market analysis and assess how this plan will align with benchmark campaigns/market leader's campaigns from fashion or related industries.
 - Consider if the campaign will improve authentic communication of environmental practices and avoid greenwashing.
 - Considering the demands of consumers and the fashion industry, assess the advantages of your marketing campaign.
 - Consider the "share of voice" your direct competitors are currently occupying across channels, such as social media and traditional media like billboards and TV.

Section 6: ESG Analytics (2-3 Slides)

Design an analytical approach to assess the success of your campaign through consumer engagement with your authentic marketing, communications, and digital brand strategies. Also consider the success of your campaign in relation to the brand/retailer's environmental actions. For instance, if it is able to drive environmental actions and goals.

- You should consider new, innovative, and or evolutionary ways of assessing consumer engagement.
 - Address how your campaign promotes the brand's environmental goals. Is it purely communicative or does it also enable the brand to achieve their goals through activities such as a consumer call to action?
 - o Include customer performance objectives (e.g., brand engagement, conversion, spend increase, retention, etc.).
- Provide key performance indicators (KPIs) that relate to your campaign and specific marketing tactics.
 - You may use traditional or new methods of measuring your campaign's success; KPIs may relate to business growth or sustained customer value.
 - Specify KPI's for each marketing tactic and related performance objective. The KPIs should align with the overarching goal(s) of your campaign. You do not need to use the same KPI's across all planned marketing, as each part of your marketing strategy may have different objectives.
 - Explain how the KPIs were selected within your marketing plan. Why will you use these tools
 to measure the success of your marketing tactics? What is the intended insight of the
 selected KPI? For instance, do they measure brand engagement or increased loyalty?
 Provide rationale for your choice.



- Connect KPI's to the marketing funnel, considering awareness, consideration, purchase, retention, and advocacy.
- Examples of marketing key performance indicators include cost per million impressions, cost per placement, cost per click, conversion rate, customer acquisition cost, average order volume, retention rate, payback period, etc.)
- Examples of KPIs relating to environmental measures include carbon emissions, pollution emissions, energy consumption, renewable energy use, packaging, water use

Section 7: Appendix (3-5 slides)

Optional. Use the appendix to present additional ideas that supports your project concept. Your appendix may be a research appendix or a technical appendix.

- Examples of how to use the appendix:
 - Research Appendix: Summarize any research you have done on what factors contribute to
 the success of fashion collections, such as benchmark apparel, accessories, footwear, home,
 or beauty lines. You may also present further insights or development on the target market
 that may address the demographic/psychographic traits of the population cohorts.
 - Technical Appendix: Develop and present an additional conceptual aspect of your proposal that do not fit into the sections outlined. This may include a visual merchandising guide or an idea for how the brand will execute a further environmental or ethical aspect of the idea.

Section 8: References (1-2 Slides)

Use the final slides for footnotes and a bibliography.

- References should be properly formatted using a format such as APA, Harvard, or Chicago style.
- Include a list of images sources in the reference section or provide the source for images on each slide/page under the relevant image.

General Guidelines

No specific font or format will be enforced. You are encouraged to utilize visuals throughout your presentation. It is advisable to not overload each slide with information, and to keep your presentation concise and to the point: each slide should take no more than 1-2 minutes to absorb by the reader.

All references should be annotated in footnotes visible within the slide and/or on a references/bibliography page at the end of your slide deck. Do not use hyperlinks in a footnote as the content cannot be accessed once the case study is uploaded.

Do not include your name or college/university affiliation on the title page or anywhere in the case study as the review process is anonymous.

Be sure to proofread your case study. Points will be deducted for not following format directions, as well as for grammar and spelling errors.

Judging Criteria

Your case will be reviewed by industry professionals including the FSF Board of Governors, FSF Mentors, and FSF Alumni. Judges will use the following criteria to score your case:



Creativity & Feasibility (40%)

- Is the applicant's idea unique, inspiring, and innovative?
- Is the applicant's idea well-thought-out and conceivably executable?
- Is the applicant's idea clearly connected to the selected brand?

Research & Development (40%)

- Has the applicant completed exhaustive research on best-in-class market players to identify the best brand for their concept?
- Has the applicant developed an innovated brand strategy, supported by research, that will increase the brand's relevancy in the future of fashion?
- Has the applicant addressed how stakeholders will be impacted by the proposed strategy?
- Has the applicant addressed how consumers will be impacted by their proposed strategy?
- Has the student identified KPIs that align with their project goals and clearly explained why these KPIs are important?

Clarity (15%)

- Does the scholar display strong business acumen and common sense?
- Does the applicant's case follow logical development and a clear structure; is it easy to follow and summarize?
- Did the applicant clearly complete each portion of their prompt?

Format (5%)

- Did the applicant use correct grammar and spelling?
- Did the applicant include a title page with one sentence to summarize the case?
- Was the applicant's name and school kept anonymous?

Required Documents for Submission

- 1) Completed FSF Case Study
- 2) Current Resume
- 3) Current Unofficial Transcription
- 4) Cover Letter: Please prepare a 250-300-word maximum cover letter containing your response to the following questions:
 - Why are you interested in the fashion industry?
 - What are your current career aspirations?
 - Why have you decided to select your case study discipline?
- 5) Cover Letter Addition: Additional Question for "Post Modern" Scholarship Applicants Only.

 Students who are Black, African American, or African descent are eligible for the "Post-Modern" Scholarship, a part of Virgil Abloh's™ legacy.

The "Post Modern" Scholarship was created to empower the next generation of black fashion industry professionals. This is an opportunity to move beyond a scripted idealized narrative to share your personal story. We encourage you to share not what you think we want to hear, but what makes you who you are.

Applicants may use an additional 100 words to answer this one question. You will integrate this into your cover letter:



Please explain why Virgil Abloh's™ "Post-Modern" Scholarship mission is important to you
personally and anything else you would like the team carrying on Virgil's mission to know about
you.

Eligibility Requirements

- A minimum overall G.P.A. of 3.20.
- You must be a full-time sophomore, junior, or senior enrolled in an FSF member school.
- You must be graduating no earlier than Spring 2024.

Deadlines and Announcement of Competition Results

February 1, 2023: Wizehive, the digital platform used for FSF case study submissions will open. Your FSF faculty member will provide you with the Wizehive link. Complete the Applicant Profile on Wizehive to participate in FSF Summer Scholar Series.

October 16, 2023: Submit all four of your required documents mentioned above on Wizehive BEFORE 11:59

AM Eastern Standard Time (before noon) to avoid any issues with submission. The
Wizehive portal will close PROMPTLY at 12:00 PM (noon). Be sure to allow sufficient time
to upload all four required documents – the Wizehive submission portal will close
automatically at the scheduled time even if an upload is still in progress. If all four of your
documents are not fully uploaded, your submission will not be received by the FSF. Please
contact Katie Simone, FSF Programs Assistant Ksimone@fashionscholarshipfund.org who
will help rectify any submissions that are incomplete.

You will receive a Confirmation of Submission to your Wizehive Homepage that your submission process was completed.

Announcement of Scholarship Results: The Scholarship competition results will be sent to the FSF faculty member at your school by the first week of December. Your FSF faculty member will share the results with you.



Appendix: Case Study Insights and Resources

What is Environmental, Social, Governance (ESG)?

The first pillar of ESG is *Environmental*, addressing how the actions of the company impact the environment. In fashion, brands are rapidly advancing environmental initiatives, including tracing a brand's environmental impact through materials, sourcing, and transport of the product (McKinsey & Company, 2021). For example, in an effort to ensure long-term climate action, the founder of Patagonia recently transferred company ownership to ensure that all brand profits are used to combat climate change and protect the planet (Gelles, 2022).

The second pillar of ESG is *Social*, examining the brand's impact on society and relationship with people like employees, producers, and consumers. For many brands, social actions are being integrated with environmental actions. For example, Citizens of Humanity, Mara Hoffman, and Timberland are partnering with cotton farmers to advance regenerative agriculture practices and improve fashions relationship with the environment while also monitoring farmers right (Kent, 2022; Segran, 2021).

The third pillar of ESG is *Governance*, monitoring how a company is overseen, the diversity of chief executives and board members, and the structure of brand leadership. Recognizing both opportunities and challenges in recent years, fashion brands have started to introduce new executive positions such as chief sustainability officer and are increasing the diversity in the boardroom (<u>Butler-Young</u>, 2022; <u>BOF Team</u>, 2021).

What is a Brand?

A brand *creates* product under one specific name. For example, Burberry is a brand that creates Burberry-branded footwear, apparel, accessories, and fragrances. Additional examples of brands include Louis Vuitton, Rains, and Levi's. In contrast, a retailer *sells* goods to the end consumer. Retailers like Macy's, Nordstrom, and Target are multi-brand retailers, meaning they carry a variety of brands. The focus of this year's case study is to select *one brand*, or a mono-brand. Brands like Nike and American Eagle also have retail operations; the distinction as a brand is demonstrated in the creation of merchandise under one label. In contrast, multi-brand retailers sell merchandise from a variety of brands.

Additional Resources: ESG in Fashion

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Segal, M. (2021, March 1). Nike Launches Broad Set of 2025 Sustainability Targets, Ties Exec Comp to ESG Goals. *ESG Today*. https://www.esgtoday.com/nike-launches-broad-set-of-2025-sustainability-targets-ties-exec-comp-to-esg-goals/

Sheehan, E. (2022). Sustainability in retail: Profit, people, and the planet. *Deloitte*. https://www2.deloitte.com/global/en/pages/consumer-business/articles/sustainability-in-retail.html *For Strategy*

Solca, L. (2020, October 6). How the Climate Crisis Is Reshaping Luxury: Consumers and investors are becoming increasingly concerned about the environment. *Business of Fashion*. https://www.businessoffashion.com/articles/luxury/how-the-climate-crisis-is-reshaping-luxury/

World Fashion Exchange. (2022, May 20). Tech Pack 101: Everything you need to know about fashion tech packs. https://www.worldfashionexchange.com/blog/tech-pack-101-everything-you-need-to-know-about-fashion-tech-packs/ *For Design*