

# **Environmental Footprints and Eco-design of Products and Processes**

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Subramanian Senthilkannan Muthu, SGS Hong Kong Limited,  
Hong Kong, Hong Kong

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Miguel Angel Gardetti  
Subramanian Senthilkannan Muthu  
Editors

# Sustainable Luxury

Cases on Circular Economy  
and Entrepreneurship

 Springer

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# Preface

Luxury depends on cultural, economic or regional contexts which transform luxury into an ambiguous concept. Also, according to Ricca and Robins (2012), luxury is a source of inspiration, controversy, admiration and considerable economic success. But luxury is becoming more about helping people to express their deepest values. So, sustainable luxury would not only be a vehicle for more respect for the environment and social development, but it will also be a synonym of culture, art and innovation of different nationalities, maintaining the legacy of local craftsmanship (Gardetti 2011).

*“The circular economy refers to an industrial economy that is restorative by intention; aims to rely on renewable energy; minimises, tracks, and eliminates the use of toxic chemicals; and eradicates waste through careful design. The term goes beyond the mechanics of production and consumption of goods and services in the areas that it seeks to redefine”* (Ellen Mac Arthur Foundation 2013, p. 22). Examples include rebuilding capital, including social and natural, and the shift from consumer to user (Ellen Mac Arthur Foundation 2013, p. 22).

On the other hand, there are people with a profound perspective towards environmental and social issues and who are well motivated to “break” the rules and promote disruptive solutions to these issues, and most of them are entrepreneurs. These individuals have a number of different roles to play in entrepreneurship or intrapreneurship and innovation, from the imaginative act of setting up a new venture. This involves cognitive and motivational characteristics.

This book shows cases of circular economy related to entrepreneurs, always within the framework of sustainable luxury, as shown below.

## The Book

The book begins with a paper by Kalina Yingnan Deng “[Vestire: Social Divesting and Impact Investing in New Materialism](#)”. Taking a new materialist approach to people’s lives and the values of clothes, the author shows how women are oriented

towards a particular type of (in)vestment that is under-recognised and undervalued under the lights cast by the pursuit of fashion as superficial. In other words, at the root of the term *investment* is *vestire*, to clothe, already suggesting that popular (mis)conceptions about fashion's frivolity lack *material* evidence. Using auto-ethnography as the author's primary method and the Buffalo Exchange second-hand chain of stores and particularly the East Village, Manhattan location as the author primary field site, she illustrates the cycling through of clothing and the changes in these commodities' value. As I show in this case study, in the second-hand market for luxe designer garments, the concept of value changes as quickly as it moves through hands in the handed-down, preowned, preloved nebulas that make *value* itself amorphous. Moreover, as shown by the entrepreneurial example of Brass, alternative extra-industry solutions to accessing such (in)vestments can close the wardrobe gap for women.

Moving on, Carmela Donato, Cesare Amatulli and Matteo De Angelis developed "[Responsible Luxury Development: A Study on Luxury Companies' CSR, Circular Economy, and Entrepreneurship](#)". In this chapter the authors discuss how luxury brands can build their success on corporate social responsibility (CSR), leveraging specifically on the paradigm of circular economy. The idea elaborated on the chapter is that luxury and sustainability are not conflicting concepts, as many believe, but they are positively correlated, in as much as the quintessential characteristics of luxury goods make them potentially more sustainable than mass-market goods. Through the discussion of four case studies of luxury brands operating in the sectors of fashion (Brunello Cucinelli, Gucci and Stella McCartney brands) and food (Godiva), the authors point out that the reuse of tangible resources, such as money generated by business activities and raw material, can be a very solid basis for building market success, as well as for broadening the positive contribution luxury brands can make to the environment, the employees, the local community of producers, and, as a consequence, to the society at large. A common feature of all the cases discussed is represented by the key role played by the entrepreneur (often the company's founder) in fostering a balance between brand prestige and sustainability.

The chapter called "[Challenging Current Fashion Business Models: Entrepreneurship Through Access-Based Consumption in the Second-Hand Luxury Garment Sector Within a Circular Economy](#)" was written Shuang Hu, Claudia E. Henninger, Rosy Boardman and Daniella Ryding. The purpose of this chapter is to research about the drivers of (non)participation in access-based consumption and the underpinning motives of becoming (or not) a micro-entrepreneur within the circular economy. Peer-to-peer platforms and drivers of (non)participation within the context of the UK's second-hand luxury market are currently under-researched. This chapter is exploratory in nature and utilises a qualitative research approach.

In turn, Sheetal Jain and Sita Mishra, in their paper "[Sadhu—On the Pathway of Luxury Sustainable Circular Value Model](#)" research into the company "Natweave Textile Studio". This is a textile company founded by Indian textile designer Subhabrata Sadhu in 2009, with a yearning to conserve the rich heritage of the

rarest and finest cashmere by using the traditional skills of native Kashmiri artisans. The company specialises in producing high-end and exclusive Pashmina scarves and shawls with a focus on entirely pure, handmade and natural production process. Sadhu sources the finest Pashmina fibres from Pashmina goats reared in its natural habitat in Changthang plateau in the Kashmir region. This study aims to develop a luxury sustainable circular value (LSCV) model that integrates the values of four stakeholders—entrepreneur, organisation, customers and society. LSCV model is used as a tool to examine how “Natweave Textile Studio” contributes to creating sustainable circular value and thus adding to the sustainable development of the company and society.

Following, Ansgar Igelbrink, Albin Kälin, Marko Krajner and Roman Kunič’s paper titled “Cradle to Cradle®—Parquet for Generations: Respect Natural Resources and Offers Preservation for the Future” focuses on wood. Today, the use of wood in architecture is becoming fashionable. The authors feel strongly that developments in wood products and timber construction will shape the future of sustainable development. Wood is still one of the most accessible materials; we can smell, hear, touch, and see (it is pleasing to the eye) natural wood. A similar development can be seen in the façades of modern structures, where imitation wood is increasingly being used. Sustainable luxury products incorporate extraordinary aesthetics, handle, care, function and, in addition to being sustainable, they need to be safe for humans, society and the environment. Resources, especially natural resources, are scarce and need to be protected in changing the design of products’ uses according to “Cradle to Cradle®: Remaking the way we make things” and towards a circular economy. For companies, this implies entrepreneurship to tackle the large impact on the change of behaviour, culture, marketing and business models in closing the loop and taking the goods back from the user. The case study, Cradle to Cradle®—Parquet for Generations (of Bauwerk Parkett): Respect Resources and Preservation for the Future, illustrates a successful lighthouse example from the industry.

In the next chapter, “Trends of Sustainable Development Among Luxury Industry” by Jitong Li and Karen K. Leonas, the authors clarify that under increasing pressure to implement sustainable development throughout the industry, some new luxury entrepreneurs are emerging with remarkable perspectives on sustainable development. They break the traditional business innovation known to the luxury sector and are implementing the concept of sustainable development as a direction in their business strategies. In addition, they are moving towards developing a circular economy to realise “sustainability” in their supply chains. This chapter discusses the redefinition of luxury, trends in the luxury market, adoption of sustainability among luxury brands and consumers, disruptive business, model innovation and the circular economy. Finally, a case study on sustainable luxury swimwear entrepreneurs is presented.

Completing the book, Sabine Weber prepared a paper titled “A Circular Economy Approach in the Luxury Fashion Industry: A Case Study of Eileen Fisher”. This study used a case study approach to observe and analyse the circular economy business model of Eileen Fisher (EF), New York. This study explores how the

company has developed its take-back programme and how this programme led to the development of recycling operations at EF. In 2017, twelve semi-structured interviews were conducted with employees from EF, representing different departments and operating at various functions in the company. Their responses were analysed according to a content analysis method to outline EF's approaches to both luxury fashion and circular economy, and additional data from the company were collected. The results were summarised in the strengths, weaknesses, opportunities and threats (SWOT) analysis to show the advantages and challenges a company faces when introducing the circular economy concept.

It is important to highlight that all of these diverse contributions represent a great step forward in expanding the insights in the field of sustainable management of luxury. It is certainly the most comprehensive collection of writings on these subjects to date. Note that this initiative has received a large international response, and it is expected to continue to stimulate further debate.

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