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**Luxury brands and their role in eco-innovation diffusion**

**Authors**
Eleanor Snare, University of Leeds
Eleanor is a Teaching Fellow in Fashion Marketing and self-employed marketing consultant. She previously worked with clients including Unilever, Lloyds Banking Group and TalkTalk on internal and external communication strategies.

Dr Mark Sumner, University of Leeds
Mark is a Lecturer in Sustainability, Fashion and Retail and previously worked for 15 years at Marks and Spencer, where he played a pivotal role in the development and delivery of Plan A. He also consults for fashion businesses looking to develop more sustainable ways of working.

**Contact**
Eleanor Snare
e.b.snare@leeds.ac.uk

**Abstract**
Purpose: The purpose of this research is to understand the role of luxury brands in the diffusion of eco-innovations through the fashion industry, and whether the trickle-down theory applies.
Methodology: Structured qualitative interviews were carried out with 13 individuals working in luxury, mass and value market fashion brands to understand the perceptions of how innovation and eco-innovation were generated and diffused through the fashion industry. Rogers’ theory of innovation diffusion was used to analyse and explore interview responses.
Findings: The results of the research suggest the interviewees perceived the trickle-down effect as less relevant for eco-innovations than for aesthetic innovations (newness in style, design or colour). It was found that suppliers, competitors and senior management play a more important role in diffusion of eco-innovation. A five point model for successful eco-innovation diffusion within a fashion business was established from the research.
Limitations: As the first stage of a larger project, this research focused on one interviewee from the product design and development team within each brand. Further research will be carried out to explore the perceptions of eco-innovations for other functions within the brands.
Implications: Fashion brands wishing to adopt eco-innovations can use the five point model to help them establish the right conditions for successful adoption within their business.
Originality/value: This research extends existing work on the adoption of sustainability within the fashion industry by exploring the adoption routes for eco-innovation and using Rogers’ framework to create a five point model for innovation.
Keywords
Innovation diffusion, sustainability, mass market, luxury, trickle-down

Conclusion
Luxury brands have a clear history and respected position of creative design and aesthetic innovation, and there are many contemporary examples of the trickle-down effect in practice. When asked about the occurrence of the trickle-down effect, the luxury brands interviewed said it still happened, particularly for this aesthetic innovation. Most interviewees from mass market brands identified that ‘newness’ or aesthetic innovation was influenced by the catwalk but that this was one in a range of inspirational sources, and this was separate from innovation and eco-innovation. However, they were much less likely to reference luxury brands as inspiring innovation or eco-innovation and the trickle-down effect was seen as less applicable.

Instead, interviewee responses suggest suppliers are very important in inspiring innovation in fashion businesses, and for eco-innovation inspiration from the CEO or senior management was most important. There is also more agreement between brands about where inspiration for innovation is found compared to inspiration for eco-innovation, which may come from very diverse sources. From this, it appears the trickle-down effect is perceived as less relevant for mass market brands for eco-innovation and innovation in general than aesthetic innovation. Instead, the trickle-sideways effect of adopting innovations from competitor brands seems to be a more applicable model for understanding how eco-innovation diffuses through the fashion industry.

Rogers’ model of innovation diffusion is helpful in explaining how the diffusion of eco-innovations occur. Interviewees identified competitors and senior stakeholders in individual businesses as key sources of inspiration for eco-innovation adoption. Depending on the type of innovation work these entities are doing, they can be placed in the innovator or early adopter category as defined by Rogers. Importantly, these categories bleed into each other. While it can be argued these entities are acting as early adopters by successfully using an eco-innovation, they could equally be the innovators themselves through their ‘challenge’ to suppliers to develop an eco-innovation. It’s less clear who the innovators for eco-innovation are in the fashion industry (compared to innovation in general) which poses challenges in understanding how eco-innovation diffuses and how it can be encouraged to diffuse. Using suppliers as innovators – according to our interviewees – could be one method to drive adoption of eco-innovations more successfully into the industry and individual businesses.

Considering suppliers as innovators for the mass market could help explain why luxury brands are not frequently mentioned as inspiring eco-innovation, despite being in a good position to do so. The supply base for the mass market is very often shared between different and competing mass market brands. Therefore suppliers act as a conduit between brands for the translation of innovations across a market sector. Luxury brands very rarely have suppliers that supply the mass market and therefore there are limited opportunities for adoption and diffusion through the supply base from luxury to mass market.
It is clear suppliers act as innovators, but there is a demarcation between suppliers of different sectors. The lack of supplier cross-over between market sectors encourages the perception further up in the supply chain that luxury brands, or mass market brands, aren’t generating innovations which are inspiring widespread adoption, even if suppliers are independently introducing them to fashion businesses.

Our research suggests fashion brands wishing to set the right conditions for successful adoption of eco-innovation within their own business require this five point model:

- Strong opinion leadership, shown in *top down* support
- A clear “common goal” of a *sustainability-focused internal culture*
- A *framework for innovation*: structure (regulated behaviour) and norms (established behaviour patterns) which encourage innovation
- **Scalability**
- **Visibility**

Furthermore, there are similarities in the characteristics brands display as innovators and as eco-innovators; however, to be an eco-innovator the key difference appears to be the “common goal” of a sustainability-focused internal culture.

Fashion businesses without scalability and visibility may be perceived as eco-innovators, but they are unlikely to enable eco-innovation diffusion and adoption with the sectors which make up the largest volume of the fashion industry. Scalability is the biggest challenge to luxury fashion brands keen to position themselves as eco-innovators, and here a change agent may be required to realise luxury fashion eco-innovations in the mass market.