

Consumer Insights Report:

FASHION **NOVA**

An Adapted Version Of Holt And Cameron's CulturalInnovation for Positioning
Word Count 3,062 Fashion Nova as a sustainable brand



Executive Summary

Fashion Nova is an American clothing brand that prides itself on being a diverse, inclusive and affordable brand. It helped distinguish and establish itself as a go-to for many consumers. In 2021, diversity and inclusion are mainstream and is no longer a niche for Fashion Nova. The attention now is drawn to how sustainable brands are.

According to the data by the Fashion Transparency Index, Fashion Nova received a 0-10% rating on labour conditions and sustainability. This claim was substantiated by the federal investigation done by the US government on Fashion Nova in 2019 because of numerous reports where it was found that because of its nature as a fast fashion brand, the workers were underpaid and overworked.

Now they are in dire need to reposition themselves as a sustainable brand, not just to avoid boycott but to also become synonymous with sustainability as they have done in the past with diversity. This creates the need for a new cultural expression.

The goal of this report is to create an argument as to how Fashion Nova can be repositioned as a sustainable brand thereby challenging the cultural myth that an affordable brand cannot be sustainable. This report aims to use the principles of Cameron and Holt's Cultivation Theory.

Executive Summary

The theory of cultural innovation argues that a brand can distinguish itself from the competition by innovating its ideology or by associating its service or products to an ideology. This theory explains that the reason people prefer certain brands over others is that the marketing strategy has conditioned the consumers' minds to associate one brand with a particular value.

The two key issues Fashion Nova has is: It no longer stands out and secondly, the continuous criticisms of fashion nova and other fast fashion brands.



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93% of brands surveyed by Fashion Checker aren't paying their garment workers a living wage.

Background and Key Issues

A consumer's choice of product is often governed not just by the use he gets from it, but also by what value the product is communicating. The psychological effect of how the product makes him feel, what values he has and how the products reflect (Evans and Chandler J 2006).

A brand creating a new ideology and expression distinguishes the brand from any other and positions the brand at the forefront of any cultural phenomenon. This is often beneficial to the brand as it helps the brand become synonymous with a particular value which encourages consumer loyalty and customer retention (Alhaddad, A., 2015).

Fast Nova, one of the most popular online brands especially among young people, due to its extensive use of fashion influencers and celebrities like Cardi B, Megan thee Stallion amongst others. The fast-fashion brand has not been without criticism, as it has been widely criticized for its practices which have been unethical. Fashion Nova from its e-commerce launch in 2013 has always been associated with diversity and inclusivity as their clothes are made for all races, age groups and body types. Although this image still stands, it is no longer distinguishes the fast-fashion brand from other brands, as diversity and inclusivity, has become the order of the day.

This contemporary fashion business model, despite being highly successful, has been widely criticised for embracing obsolescence, encouraging over-consumption A consumer's choice of product is often governed not just by the use he gets from it, but also by what value the product is communicating. The psychological effect of how the product makes him feel, what values he has and how the products reflect (Evans and Chandler J 2006).

The two key issues Fashion Nova has are: It no longer stands out and secondly, the continuous criticisms of fashion nova and other fast fashion brands.

Firstly, Fast fashion Brands like Fashion Nova have been globally criticized because of their impact on society. The impact is both environmental and social. Socially in the sense that fast fashion encourages people to buy more and more clothes every year. Statista reports (Appendix I) that the Global Clothing industry is a 1.9 trillion dollars industry, with the U.S having the largest share of \$317,563 million.

In 1980, the average an average American bought 12 pieces of clothing per year, while now in 2021; the number has gone up to 68 pieces of clothing.

Fashion Nova encourages this by producing cheap, fast and disposable clothes. The clothing brand produces an average of 52 collections every year with each item of clothing only being worn at most at 8 times, these clothes will then be disposed of in landfills all around the world. (Simpson 2019).

Simpson added that women mostly discard clothes when they buy a new one and with fast fashion, this happens all the time.

The fast-fashion phenomenon enables the consumer to buy clothing at rates not seen before as “American consumers want styles to change quickly, and they want to see new merchandise in their favourite store almost every week and at affordable prices” (Karpova & Lee, 2011).

Secondly, the environmental factor is that these clothes are substandard and are sewn with materials like polyester, spandex, lycra, nylon, all of which are produced with over 242 barrels of petroleum every year emitting over 1.7-billion tons of CO2 annually according to the oil price 2020 data.



In addition, there is a growing concern over animal rights, environment production and waste, and worker rights; this is creating pressure on fast fashion brands to be sustainable now. (Jung et al., 2016; Lundblad and Davis, 2016).

According to the United Nations Environment Assembly (Unenvironment.org, 2019), environmental pollution is a burning issue. It concerns everyone; businesses, individuals and the government all have their roles to play. To reduce pollution and manage environmental damage, it is important to encourage individuals and organized groups to take initiatives towards environmental protection (Bai and Bai, 2020).

All of these are now becoming more popular as more people are more active in social and environmental issues and are actively criticizing and boycotting brands that do not adhere to the demands of contributing to a more sustainable world and even boycotting them. Second, only to diversity and inclusion in the Mintel data of CSR influencing consumer buying choices, sustainability is the next big thing in the fashion industry. (Appendix 2)

Cultural Innovation Theory

Holt and Cameron's Cultural Strategy is built on the premise that a brand can distinguish itself by innovating its ideology or by creating a cultural myth that is associating the service or products to an ideology. (Holt and Cameron 2010).

According to Peter Senge, Cultural innovation means creating new sources of value to a product or service which could be of use to the consumer. Cultural Innovation aims to challenge existing beliefs about consumers. According to cultural strategy theory, a strong message that is relevant to the consumer can be more impactful than telling someone how great your product is

At its core, cultural strategy theory aims to take existing markets and theories and flip them on their head through the use of a cultural expression. Culture is the sense that we use to see the world in - it can be seen all around us in the food we eat, the hobbies we have and the media we consume.

It is a brand advancing an ideology that resolves a profound cultural tension at a particular time in history due to societal shift via content repurposed from subcultural 'source materials'. (Appendix 4)

This theory states that it is not necessarily the products or content itself that will attract consumers but it is instead the way that it is expressed. For example, one traditional belief in marketing is that consumers are rational. This idea states that consumers will buy the best product because it is high quality and has special features. In reality, this assumption is misguided - consumers rarely concern themselves with the intricacies of every product they buy because people aren't perfectly rational. Instead, consumers buy into products with a strong message that hits home to them personally.



Cultural Innovation Theory

There are three key layers to cultural strategy theory.


The first one is ideology, this is where an idea is put forward that the brand wants to be associated with. The next stage is a myth where stories are created to express this ideology. Finally, it is important to consider the cultural codes to make sure that the way the ideology and myths are being portrayed is culturally relevant to the consumer. Creating myths based on existing cultural codes can strengthen a brand's image more so than informing a customer how good their product is.

These companies are dynamic and creative, developing ground-breaking strategies that have delighted innovation experts.

They revolutionized how products were looked at. The ideology, cultural codes and cultural myths contributed to the brand's distinguishable factor which made it easier for brands to communicate who they are.

The scope of cultural brand strategy is one that attempts to produce, challenge, and help motivate firms to develop creative brand philosophies.

A good example of where this can be seen is Nike. When Nike hit the market, they advertised based on the assumption that people would buy Nike's shoes because they are of the highest quality and have the best features. In reality, most consumers didn't care about the intricacies of the product. Instead, Nike shifted to a cultural strategic based marketing campaign. Instead of selling shoes, they shifted to selling the ideology that through personal willpower, anything is possible. The myth in this scenario was that Nike shoes can help you to 'just do it and get out of your situation. At the time, Nike leaned heavily into cultural codes in the US of poor, usually black people in ghettos. They marketed Nike's as giving people the strength and willpower to 'just do it and get out of their tough situations. This advertising campaign blew up and eventually led them to become the market superpowers that they are today.



Social Disruptions Creating Ideological Opportunities

A major element of Holt's and Cameron's Cultural Innovation theory is the creation of a new ideology. History has shown that when there is a profound change in society, political, racial, technological, economic that shakes up people's identity, cultural symbols are the things we use to pursue our identity.

So the historical shift often creates the demand for a new ideology which creates the opportunity for brands, these are called blue oceans. Cultural Innovation is propelled by a social disruption that is shocking enough to disrupt society's normalcy, thereby creating the demand for a new cultural expression.

The timing of the market is perhaps the most important factor because cultural innovation is more than just having an ideology; it is having the ideology at the right time in the industry that can cause a phenomenon.

(Holt and Cameron 2010, p. 2)

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graph LR; A[Historical Shift] --> B[Opportunity for brands]; B --> C[New Ideology]
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Historical Shift

Opportunity for brands

New Ideology

These orthodoxies are often long term and change over time, lasting for years and sometimes in decades.

These changes create moments where brands have to reassess and innovate new strategies to reposition themselves as their previous strategies are no longer important and relevant, thereby creating the vacuum for new ideas or even reaffirming the brands' position in the industry.

This instance is particularly relevant as Fashion Nova's previous strategy of diversity was relevant and groundbreaking at the time but now need to create another ideology.

Social Disruptions Creating Ideological Opportunities

As a result of the changes made by the social disruption, the old cultural expressions have become redundant as it is not in line with the new normal which means it no longer mean anything.

Consumers are drawn to businesses that advocate and are at the forefront of new ideas. Ideas that are born out of new myths and cultural norms.


The blue ocean strategy directly contradicts the better-mouse trap ideology.

The mix and match model posits that there is an abundance of untapped opportunities and that these opportunities will not be developed until the appropriate tools are used to harness them.

Consumers are yearning for an upgrade to improve their user experiences.

A change in ideology and orientation is a result of a social or cultural upset that marked the beginning of a new era. The disruption is oftentimes strong enough to sever the relationship that exists between the brands and the consumers. The consumers have no other option but to find the value and attachment they had in their brands into another.

Ideological marketing is one of the fields with the most potential for growth. Irrespective of the potential that this field may have, its growth is hindered because of the orientation of marketing executives towards innovation. One main difference between the economic and engineering field and marketing innovation is the latter's decision to analyze and study every aspect of humans behaviour. including what the pure sciences would describe as unnecessary. The marketing innovation field argues that it is in these underutilized areas that innovation opportunities can be found.



Strength and Disagreements of C.I Theory

The greatest strength Cultural Innovation has is that it allows brands to match the current/ future ideology of consumers in order to show affinity with the beliefs and needs of the consumers. Cultural Innovation is really about the future, not the past, it is about how a business could start or join in on an ideology thereby making allowing the brand to create its own narrative.

“71% of Consumers Prefer Buying from Companies Aligned with Their Values” (Pickard - Whitehead 2020). Especially in this generation that is heavily politically and socially active. This can be a very big strength if utilized properly.

This is the main reason cultural innovation theory is the best theory for Fashion Nova's sustainability repositioning plan. Seeing that it focuses more on making strategic decisions in the case of a social disruption to (sustainability) to help advance the ideology before it even starts. By adopting this, Fashion Nova will help manage any future crisis like boycotts or even judicial cases.

One may argue that Assuming consumers want to buy into a certain concept/ideology labels consumers as passive consumers rather than active consumers.

Assuming consumers are relatively passive in their consumption is a generalisation, whilst there are consumers who will buy into concepts and engages in innovation and can co-create value together with other consumers, and with producers, in relation to products. In summary, active consumers are more conscious of their choices and can create meaning for themselves and ideologies, this is an overhauling assumption. Consumers consider a wide variance of factors when choosing products or brands, and each consumer has the ability to be an 'active consumer'.



Recommendations

The particular state of the industry makes it easier for Fashion Nova to advance and champion the sustainability ideology.

Fashion Nova should routinely make posts on social media educating the audience on sustainability. With facts ranging from how they can make a difference, how it is affecting the world etc.

As previously mentioned, one of the biggest challenges fashion nova faces is the criticisms concerning labour rights abuse. To tackle this, Fashion Nova has to improve the employee- Management relationship.

Maintaining a good in-house relationship is important for any business especially in the fashion industry, where the employees are exposed to chemicals and long working hours, they need to be paid accordingly. Repairing the relationship with the employees is important in the journey to sustainability.

This move communicates to the public that Fashion Nova is working towards being on the right side of history.

Although the Cultural Innovation theory focuses on the consumers being on the receiving end, I suggest Fashion Nova start a collaborative campaign 'Fashion Nova- Sustainability is our responsibility. In this campaign, Fashion Nova collaborates with their consumers as their partners in their journey to sustainability.



Recommendations

Only 12% of the sample population are not aware of the importance of sustainability, it shows how up to par people are. Fashion Nova could take this forward by making use of its diverse models and celebrity ambassadors who will promote recycling. Simpson (2019) in her research work stated that most women discarded clothes when they buy a new one or when they need more. By wearing your clothes just for 9 months longer, you can reduce your carbon footprints by 30%.

Fashion Nova could create avenues using the influencers they use to promote their products to teach others how they could restyle/ redesign their clothes instead of buying new ones. Dress up videos and tutorials on social media especially Instagram/ Tiktok reels could help change the negative image that fashion nova has. As it communicates that fashion realizes how much they contribute to global warming and are willing to genuinely make a difference. This would be the first time any fast-fashion brand is making a move and hopefully setting a precedent.

Secondly, Fashion Nova should encourage swapping and donating clothes on their websites. Similar to Olio (where people could swap everything ranging from food items to clothes), instead people can only swap or resell Fashion Nova apparel on that section of the site. Consumers could be rewarded with a voucher either after donating/ swapping a particular amount of clothes. Seeing that most clothes are only worn at most 8 times, this could help discourage buying more and more clothes.

While the best move would be to be completely organic and ethical, that cannot be actualized all at once, as it is a long time plan, fashion nova should gradually move to more sustainable production which may include doing research on an affordable and ethical clothing alternatives to what they have now.

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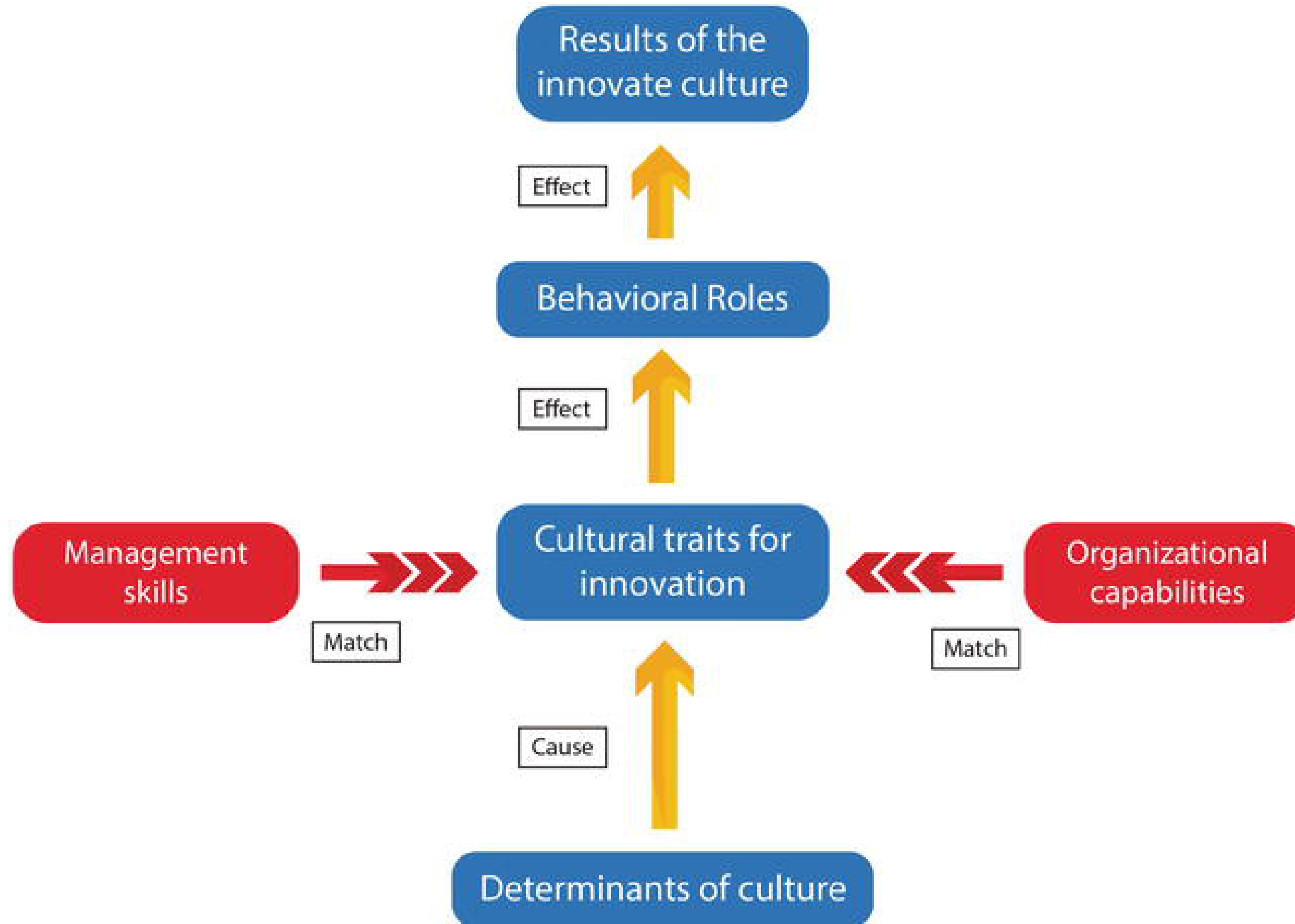
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What informs you of the importance of sustainability?



Appendix 2





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The fashion industry is responsible for 8-10% of global greenhouse gas emissions. That's more than the aviation and maritime shipping industries combined.



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3 out of 5 fast fashion garments end up in a landfill within a year of being purchased.



