

Sustainability Strategy report

Nanushka



Enhancement of the circular business model Vegan leather items aftercare services in the UK market

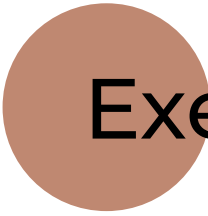
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Executive Summary

This report aims to assess the sustainability practices of the Budapest-based accessible luxury fashion brand Nanushka. After surveying the brand's current sustainability practices, areas for improvement will be identified. Finally, optimal strategies to enhance the brand's sustainability efforts in the UK market will be proposed.

Nanushka's main products are made from vegan leather. Both their sales and brand awareness have been steadily increasing over the past few years as the brand already enjoys an ethical image and is popular with celebrities. Furthermore, from their founding, Nanushka has endeavoured to implement many sustainable practices. In fact, value chain analysis reveals that Nanushka has made strong efforts to improve the transparency of their supply chain and enhance the working environment of their employees. Moreover, with the aim of establishing a circular business model, the brand is attempting to provide services and introduce new technologies that will further enhance the circularity of their products. That said, value chain analysis has also revealed some areas in need of improvement. This is especially so in regards to the use of materials as vegan leather is primarily made from recycled plastic. This means that the brand needs to consider how to reduce the negative impact its products have both in their production and consumer-use phases. Although Nanushka has made progress in reducing their environmental burden during the former phase, they still have ways to go in terms of the latter.

Towards this end, this report will analyse the business environment that Nanushka is operating in to identify feasible strategies to implement during the consumer-use phase of its products. Based on the outcomes of VRIO, TOWS, and SAF matrix analysis', a few actions can be suggested. The main suggestion involves the development of a cleaning service program. Nanushka could partner with OXWASH, sell home care kits in partnership with Clothes Doctor, and provide workshops and online educational content to extend the durability of its vegan leather products. Implementing these actions would help Nanushka take further steps towards realising a circular business model by keeping products and materials in use for longer periods of time. A cleaning program would also bring value to each of the three elements of Nanushka's triple bottom line: Planet, People, and Profit. Moreover, focusing on various kinds of cleaning services would enable the brand to shift from being goods-dominant to service-dominant.

Once a cleaning services program has been implemented, SMART objectives will then need to be set to measure the ability of these new services to improve customer lifetime value and brand reputation. Next, an estimated budget for the implementation of the aforementioned services will be proposed. Finally, a few other recommendations will be made. The first involves the expansion of Nanushka into the US market. The second relates to the development of cleaning services using the same scheme for other synthetic textile products such as artificial cellulose. It will be argued that further expansion of a cleaning services program will not only increase Nanushka's brand value and loyalty, but its credibility as well. This, in turn, will lead to more new and repeat customers.

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1. Company and Market insight

1.1 Brand overview

Nanushka is a ready-to-wear brand launched in Budapest, Hungary, in 2006 by London college of fashion graduate Sandra Sandor. The product range is womenswear, menswear and accessories. This brand focuses on craftsmanship, detail and fabric (Figure 1).

The brand relied on financial support from family and friends until 2016. However, its financial situation was dramatically improved with the help of the founder's partner Baldusti and the investment of Agoston Gubicza from GB & Partners Investment Management. This influx of more money allowed Nanushka to build an in-house sales team and strengthen its e-commerce presence. This led to an increase in sales by 30% in just three years (Tong, 2022). Celebrities like Rihanna and Michelle Obama further boosted the brand's recognition, and in the fall of 2019, Nanushka's down jacket made of vegan leather became a trending item in street snaps (Morris, 2019).

In 2020, Baldusti and Gubicza founded the Vanguard Group, a fashion conglomerate, and now Nanushka is a brand under the group (Zhang, 2022). More recently, Nanushka recorded nearly £ 30 million in annual sales during the Covid-19 pandemic, up 15% from 2019 (Tong, 2022). The brand continues to grow, ranking 68th among Europe's fastest-growing companies ranked by the Financial Times in 2021, and 157th in 2022 (Kelly, 2021; Kelly, 2022). Using the Brand identity prism (Kapferer, 1992), Nanushka's current brand equity is presented in figure 2.



Figure 1. Nanushka Pre-Fall 2021 (Nanushka, 2021)

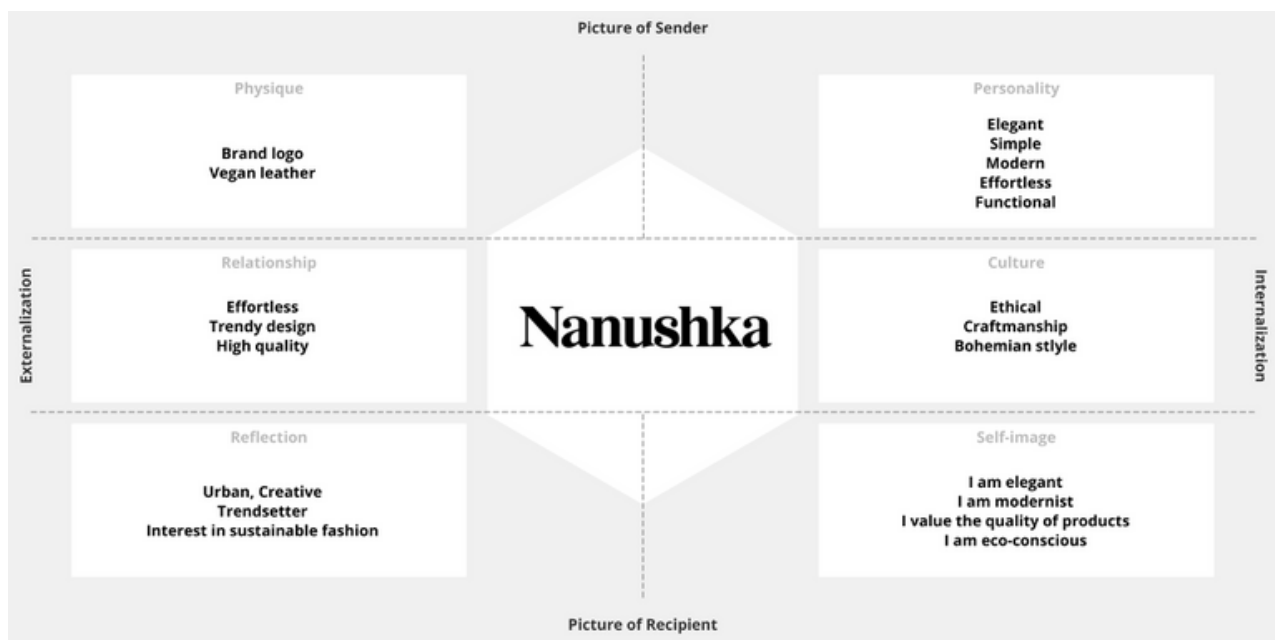


Figure 2. Brand Identity Prism (Kapferer, 1992)

1.2 Brand positioning and Competitor landscape in the UK market

Nanushka's price range starts at £25 for hair accessories, and the highest priced product is a vegan leather long coat for £1,345 (Table 1). From a price range perspective, the brand can be considered an accessible luxury (Finnigan, 2020).

Product category	Price (min)	Price (max)
(Women's) T-shirt	£95	£265
(Women's) Dress	£245	£675
(Women's) Outerwear	£395	£1,345

Table 1. Nanushka Product price (Author's own)

As for the distribution of Nanushka in the UK market, the brand has a flagship store in London. It is also available in department and online stores such as Selfridges and Browns.

Compared to other competitors that use ethical materials and have modern designs, Nanushka finds itself in the same position as Acne Studios and Reformation in terms of their exclusivity in the UK market. However, in terms of pricing, Nanushka is less expensive than Acne Studios and moderately more expensive than Reformation (Figure 3).

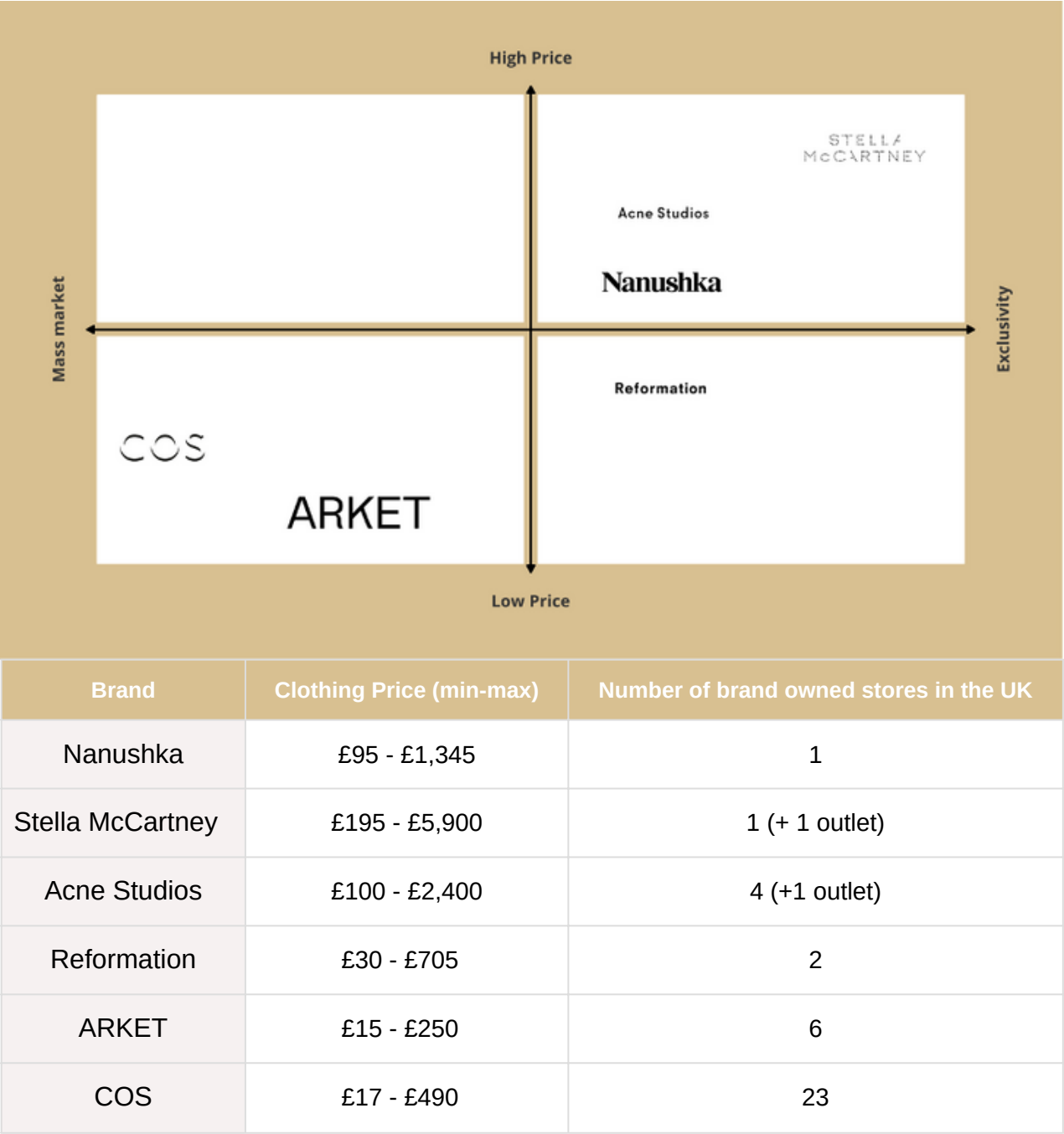


Figure 3. Brand positioning map (Author's own)

1.3 Customer segmentation

According to estimated demographic data of brand site visitors on Similarweb, Nanushka's customers are late millennial men and women between the ages of 25 and 34 years of age. (Similarweb, 2022).

GEOGRAPHICS	DEMOGRAPHICS	PSYCHOGRAPHICS	BEHAVIORAL
Urban area (London) 20% of Nanushka website visitors are from the UK.	- Age: 25 – 34 years old - Gender: both male and female - The average income: £30,000-£40,000. Estimated from the average wage of full-time employees aged 25-34 in the United Kingdom (Statista,2022). People who can purchase accessible luxury clothing are estimated to have a higher salary than the average in the UK.	- Prefer contemporary and elegant styles. - Prefer quality products and services. - Expect good customer experiences (Bell,2022) - Use social media, especially Instagram	- Interested in sustainability - Shopping habits: use both online and offline - Check and post WoM on social media and online.

Table 2. Customer segmentation of Nanushka

2. Nanushka's sustainability practices and the problem

2.1 Sustainability practices

Nanushka has won several awards as a sustainable fashion brand and has received a lot of media coverage. However, their sustainability practices are not yet up to industry standards. The brand only just began publishing its sustainability report in 2019. Since the report for 2021 has not yet been published, Nanushka's sustainability practices and value chain shortcomings will be analyzed using the sustainability report they released in 2020 (Table 3).

	What the brand does	What the brand has to improve
Firm Infrastructure	• Became a subsidiary of the Vanguard Group from 2020 • Nanushka team members, including Senior Sustainability Manager, have been transferred to Vanguard to carry out sustainability and corporate responsibility at the group level.	
Human Resource Management	• Ensuring employee safety, providing vacations after vaccinations, and supporting close relatives during the COVID pandemic • Apply Code of Conduct to all supplier contracts • Started “the Design for life mentorship program” to support young designers of color	
Technology Development	• Digital ID to improve transparency of supply chain linked with Eon	
Procurement	• Visit 71% of suppliers (Hungary and Serbia) • Data collection for Tier 1 and 2 suppliers • Evaluate supply chain performance in five categories: greenhouse gas (GHG), Cumulative Energy Demand (CED), waste generation, water consumption, and land use.	• Information collection for Tier 3 and 4 has not been completed. (The brand aims to achieve full traceability by 2025)

Table 3. Value chain analysis of Nanushka's sustainable practices
(continued on the next page)

	What the brand does	What the brand has to improve
Inbound Logistics	• Manufacturing upcycling accessories using Tier 1 and 2 waste materials	• Materials using man-made cellulose fiber and vegan leather negatively impacts across Tier 2 and Tier 3 due to the use of energy, water, chemicals. • Waste recycling stream is not yet completed
Operations	• Publish map of operations and suppliers (country name only) • In 2020, an outlet store opened as a channel to sell repaired items, samples, and unsold items.	
Outbound Logistics	• Working to reduce air transportation and switch to ground transportation.	
Marketing and Sales	• 17% of packaging materials are recycled materials, and 92% are recyclable or compostable materials. • Launched Repack, a packaging material that can be returned and reused.	• Lack of services and consumer education to improve the durability of the products and reduce environmental impact in the customer-use phase.
Service	• Providing repair service at retail stores • Resale business in partnership with The Real Real • Rental service through partner companies in the United Kingdom (HURR) and the United States (Rent the Runway)	• Has not provided in-house used clothing collection / recycling services
Summary		

Nanushka is doing particularly well in managing human assets and the transparency of their supply chains. The brand aims achieving a circular business model, so they introduced resale and repair services, outlet stores, and digital IDs. However, there are not enough actions to extend the product life and reduce the environmental impact during the customer's product use phase.

Table 3. Value chain analysis of Nanushka's sustainable practices -

First of all, in terms of Human Resource management, Nanushka has made many efforts to improve the working environment of its employees. In fact, despite the costs involved by having staff work from home during the first part of the pandemic, Nanushka's management prioritized the health of their staff and supported their families and local communities (Nanushka, 2021). Regarding their technological development, in 2020, they partnered with an IoT tech company, the EON Group in order to adopt a digital ID tracking system. This allows customers to scan a QR code on the product tag (Figure 4) in order to get information about the product's materials, sustainability information, styling advice, resale procedures, and other rental peer-to-peer shared services (Palmieri, 2020). Repair, resale, and recycling service providers also can also be accessed using this EON Circular ID (Eon, 2020). The use of this new technology has greatly improved the circularity of Nanushka's products and the transparency of their supply chains.

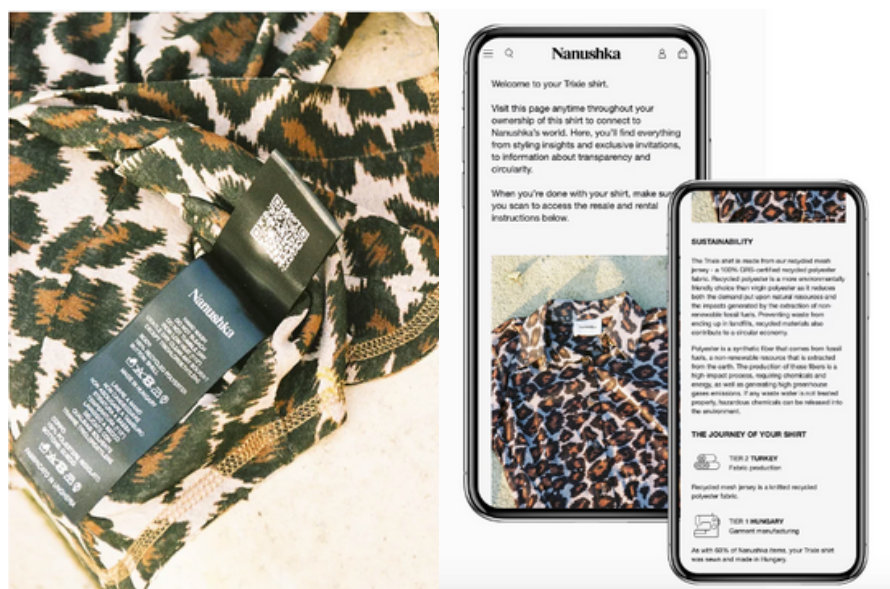


Figure 4. Nanushka Digital ID (Eon, no date)

Turning now to Nanushka's procurement, by the end of 2021, the brand had physically visited 70% of its Tier 1 and Tier 2 suppliers to check the working conditions and make sure that their original Code of Conduct was being applied to all supplier contracts (Nanushka, no date). As for their inbound logistics, in addition to upcycling accessories using Tier1 and 2 waste materials, Nanushka also opened an outlet store in 2020 to sell dead stock and repaired items.

Regarding their operations, Nanushka is currently publishing a map of their Tier 1-4 suppliers and aims to keep track of all Tier 3 and Tier 4 suppliers by 2025 (Nanushka, 2021). Regarding their outbound logistics, they are moving to gradually switch from air to ground transportation over the next few years. Finally, Nanushka has taken steps to enhance the circularity of its products by providing repair and resale services in partnership with The Real Real, and rental services in partnership with HURR and Rent the Runway (Nanushka, no date).

2.2 The problems with Nanushka's sustainability management

From the analysis of Nanushka's sustainability practices, the main challenge seems to be the reduction of the negative impact that the use of vegan leather has on the environment. As mentioned in the brand overview, Nanushka's main products are made from vegan leather. In fact, 44% of all the materials used in the brand are vegan leather (Nanushka, 2021) made from a knit polyester base with a polyurethane (PU) plastic coating. Problematically, this plastic-based vegan leather is not biodegradable and uses excess amounts of water, chemicals and non-natural dyes in the fabric's production process (Davis, 2020). Although the brand's founder is more than aware of the problems associated with the use of vegan leather, she justifies its use by stating that "there's reasonable ground to state that the environmental impact of producing vegan leather is lower than real leather" (Davis, 2020). Recently, however, the brand seems to be responding to pressure from the media and stakeholders to create a product using plant-based leather sometime in the future (Nanushka, no date).

In addition to the manufacturing issues related to vegan leather products, there are other problems to consider regarding their consumption. To achieve a circular fashion business model, the customers' active participation in sustainable practices is essential. However, strategies to involve customers in the reduction of the negative environmental impact of purchased items during the consumer-use phase has been lacking. Currently, Nanushka simply gives guidelines about how to care for vegan leather products on their website (Figure 5). Unfortunately, dry cleaning is the main recommendation, and this requires the use of environmentally damaging chemical substances and solvents (Environmental pollution centers, no date).

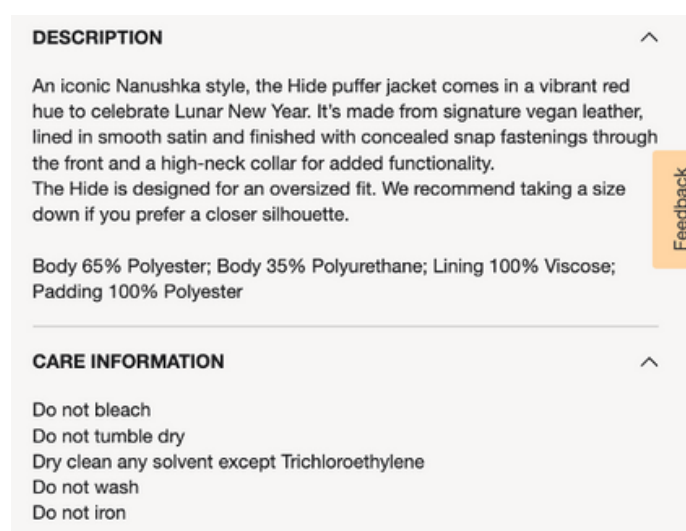


Figure 5. Nanushka vegan leather puffer coat's description and care information (Nanushka, 2022)

The CFDA Guide to Sustainable Strategies (2019) recommends that fashion brands educate consumers on how to improve clothing usage to increase their durability, extend their lifespan, and reduce their carbon footprint. There are also some precedents that can be learned from other brands. For example, Patagonia sells GUPPYFRIEND washing bags as a measure to prevent the outflow of microplastics due to washing (Patagonia, no date). Stella McCartney also offers aftercare content called #Clevercare through YouTube videos and websites (Stella McCartney, no date). Nanushka should also consider implementing similar strategies to encourage consumers to care for their products at home. In the short term, the brand could teach consumers how to lengthen the amount of time between dry cleanings. For example, by giving advice on simple stain and odour removal that can be done with biodegradable and environmentally friendly substances. In the long term, Nanushka needs to start reconsidering whether the merits of using vegan leather outweigh the damage it causes to both the environment and its sustainability mission.

2.3 The problems with Nanushka's sustainability management

Before considering strategies for identified areas that need improvement, the strengths and weaknesses of Nanushka's current economic resources will be analysed using a VRIO analysis (Table 4).

RESOURCE & CAPABILITY	VALUABLE	RARE	IMITABLE	ORGANIZED	Competitive Advantage
Brand image and product	YES	YES	NO		Temporary Competitive advantage
Supply chain	YES	YES	YES	YES	Sustained competitive advantage
Marketing and service	YES	NO			Competitive parity
Innovation and R&D	YES	NO			Competitive parity
Sustainability practice	YES	YES	NO		Temporary competitive advantage

Table 4. VRIO analysis

From the results of the VRIO analysis, it can be seen that Nanushka's strengths stem from it being recognized as a sustainable fashion brand that sells eco-friendly products with enhanced transparency using Digital ID. However, as more and more fashion brands are beginning to focus on sustainability efforts, these can no longer really be considered long term competitive advantages but temporary ones. On the other hand, Nanushka has built strong relationships with their suppliers. As a result, its supply chain management is not easily imitated by competitors. Moreover, the brand has aimed to improve the transparency of Tiers 3 and 4 suppliers in the future. Therefore, from an organizational management perspective, its supply chain could be considered a sustained competitive advantage. However, developing and using polyethylene-based vegan leather and dead stock upcycling are common practices throughout the fashion industry. In addition, collaboration with resale and rental services is more of a necessity than a choice as well. Thus, the VRIO analysis shows that innovations in material and product manufacturing and environmentally friendly marketing and services are at competitive parity.

By combining the strengths and weaknesses identified in the VRIO analysis and the threats found in the competitive environment, Nanushka's future sustainability strategy will be examined using a TOWS analysis.

	Strengths - Working to improve the transparency of sustainability actions, supply chains, and material usage. - Aiming to use recycled plastic materials that are recycled from materials to materials	Weaknesses 44% of the material used is polyurethane-based vegan leather - have not investigated or taken measures against the dropout of microplastics due to the use of products. - Only 0.8% of the materials are upcycled from dead stock.
Opportunities - Widespread use of digital IDs (QR codes) using Eon technology - Leveraging the 3,300-square-foot London flagship store - Few companies are responsible for the products after they have been purchased	SO Strategies - Hold a physical event to introduce materials, supply chains, and product journeys - Create a store experience where consumers interested in Nanushka's products can enjoy getting knowledge by using Eon's digital ID technology	WO Strategies - Actions to reduce the impact on the environment at the after-purchase stage. - Communicate product care information to customers using QR codes and flagship store
Threats - An increasing number of brands selling products using plant-based vegan leather such as mushrooms and pineapples - An increasing number of brands have sustainability as their brand image	ST Strategies - Start a project to follow the process of product development of plant-based leather and interviews with scientists and designers in a documentary format - Taking sustainability actions at a higher level to differentiate Nanushka from greenwashing companies.	WT Strategies - Launch plant-based vegan leather collection - Increase products using upcycled materials

Table 5. TOWS analysis to identify the best opportunity

Through conducting a TOWS analysis, some new strategic options for Nanushka have emerged. These will be evaluated using the SAF matrix (Johnson and Scholes, 1997) to identify the most suitable way of implementing them. The options that Nanushka should consider include taking measures to reduce the environmental burden of plastic-based vegan leather, providing aftercare services for its vegan leather based products, and replacing vegan leather with plant-based kinds instead.

SAF Matrix	Strategic Options	
	After care services	Plant-based vegan leather items
Suitability	5	5
Feasibility	5	2
Acceptability	4	3
Total	14	10

Table 6. SAF Matrix

According to the SAF matrix, it is clear that plant-based leather items are likely to be a limited collection since product development cost are high compared to other options. This could have negative long-term effects on Nanushka's finances. On the other hand, aftercare services and their startup costs could be shared by partnering with existing and established partners already in the market. Moreover, these established services already enjoy market recognition and credibility so partnering with them may lead to new sources of income generation in the future. In addition, introducing an after-care services program could lead to the improvement of Nanushka's product's life spans. This in turn would reduce the damaging impact that vegan leather has on the environment. As a bonus, since this is an issue that Nanushka has yet to deal with, doing so would increase their sustainability profile and brand credibility. Based on these considerations, the best solution to reduce the environmental impact of polyurethane-based vegan leather items after purchase will be, henceforth, the main option proposed and considered in detail.

3. Nanushka vegan leather aftercare services

3.1 The implementation and its benefits

The implementation of the first recommendation for an aftercare service program consists of four actions. First, Nanushka will partner with Clothes Doctor to sell clothing home care items and create online content for the home care of vegan leather. Clothes Doctor is a sustainable clothing home care product brand (Clothes Doctor, no date). In addition, Nanushka will sell special home care kits for vegan leather at their flagship and online stores that will protect both the clothing materials and the environment. Moreover, they will provide video content about how to care for vegan leather products at home on their website, social media platforms, and Digital ID tags. Finally, Nanushka will regularly hold workshops with cleaning and repair specialists at their London flagship store. These will be held once a month for a three-month trial period. Their continuation will be decided based on future demand.

The implementation of the second recommendation is to launch a cleaning service in partnership with OXWASH. OXWASH is an eco-friendly cleaning company in the UK. It has wet cleaning technology that can handle dry clean only products that suppress the emissions of CO₂, harmful substances, and microplastics (OXWASH, 2022). Customers can apply for this service either from the QR code on the back of the Digital ID tags or from the online and London flagship store. A more detailed explanation of the actions involved in implementing this recommendation will be given later in the marketing mix section.

Launching aftercare services has two key benefits. The first is to facilitate Nanushka's shift from 'the production and distribution of goods (goods-dominant logic) to a business centring on the company's knowledge and skills (service-dominant logic)' (Vergo et al., 2010). In this implementation, Nanushka will be providing knowledge by providing online content about aftercare methods and workshops. They will be selling their skills by acting as a provider of professional cleaning services. Moreover, by applying service-dominant logic (SDL), Nanushka's customers will be 'co-creating the value of reducing the environmental impact of their product's usage' (Vergo and Lusch, 2004). Figure 6 illustrates the value creation structure of this implementation.

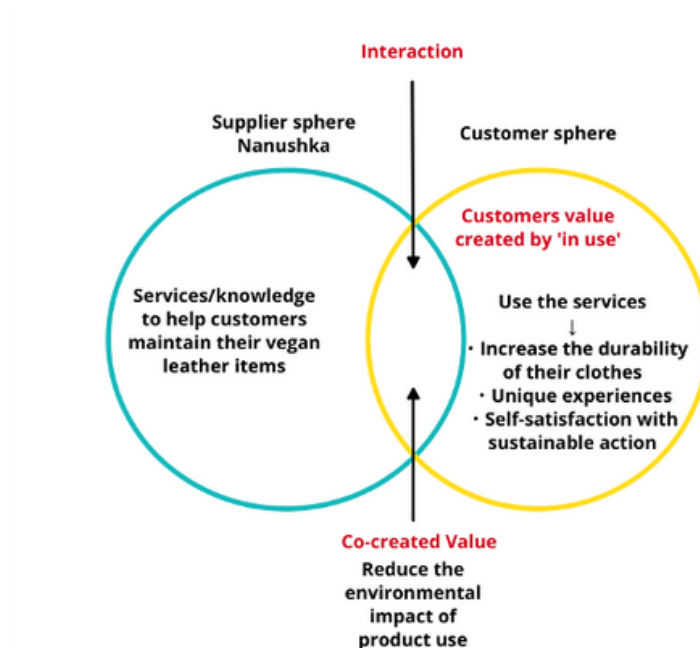


Figure 6. The value creation structure of the implementation (Author's own)

The second main benefit of this implementation is that it directly benefits Nanushka's triple bottom line (Elkington, 1994). This is the idea that a successful sustainable business strategy should not only be judged solely from an economic perspective. Additionally, environmental and social aspects need to be considered as well (Miller, 2020). In terms of economic considerations, by providing this service to customers, Nanushka will increase the loyalty and trust of the brand, which will lead to further profits. In addition, the sale of products for cleaning services and home care kits will be a new source of profit for Nanushka. As for environmental considerations, this implementation contributes to the reduction of the negative impact that vegan leather products have on the environment by extending their life and use. Thirdly, by providing consumer education for sustainable consumption, Nanushka is meeting social expectations on an international level. For example, OECD (2008) recommends companies provide consumer education for sustainable consumption. An outline of the benefits for achieving a triple bottom line can be seen in Figure 7.

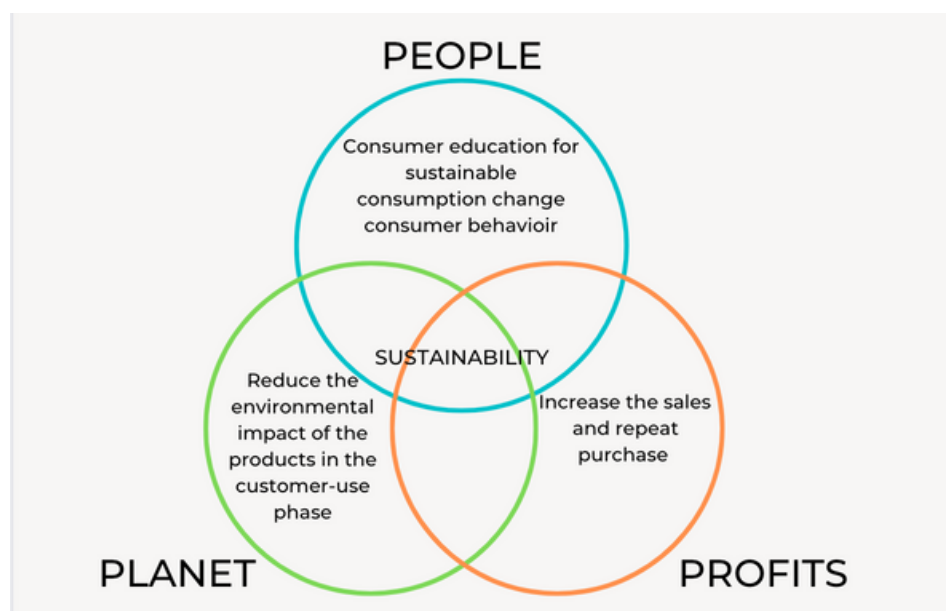


Figure 7. The triple bottom line of the implementation (Author's own)

3.2 The barriers to the implementation

While providing aftercare products and services has various benefits for Nanushka, there may be some risks involved in implementing these recommendations. They are as follows:

Risk 1 Insufficient stock of home-cleaning products

Risk 2 Complaints or financial claims from customers if clothes get damaged due to the use of an aftercare product

Risk 3 Complaints from customers about service delays, poor quality, etc. when using recommended cleaning services

Risk 4 First-come, first-serve access may lead to customer dissatisfaction if unequal access to workshops and events results from poor attendance list management

The possibility of occurrence of these 4 risk factors is examined by plotting them on the Risk matrix.



Figure 8 Risk matrix applied to Nanushka's aftercare services

Risk 1 can be avoided by negotiating a distributor agreement between Clothes Doctor and Nanushka on a consignment basis. Regarding risks 2 to 3, Nanushka would be a sales and provision agency of products and services, so Nanushka must make it a condition of the agreement between Clothes Doctor and OXWASH that these two companies would be responsible for complaints about their products and services. That said, dissatisfaction with these care products and service providers could undermine Nanushka's brand value. Therefore, Nanushka should also set up operations that would quickly connect customers to these two companies' customer service hotlines when dealing with customer complaints. Risks 4 is related to store events and is unlikely to occur. Even if they do, they can be locally managed with professional store staff so they would not have a significant impact on the brand.

3.3 The objectives of the implementation

The main asset of a business following service-dominant logic is its relationship with the customer that can be measured by the customer's lifetime value (LTV), satisfaction, and brand equity (Vergo and Lusch, 2014). Ways to increase LTV are by increasing the unit price per customer, their purchasing frequency, and by extending the transaction periods. Page views of web content and the number of views of videos can also be used as an indicator of consumer awareness about extending product lifespan and reducing their environmental impact when consuming the products. The measurement of the objectives of this implementation based on SMART criteria are as follows:

	Objective 1
Specific	Increase customer unit price (CUP) by 15% for customers who purchase vegan leather products by the end of the fourth quarter of 2024.
Measurable	The online store can check the customer's sales data. If the brand manages their customer data in the physical store, it is easy to measure the increase in their customer unit price.
Attainable	The aftercare products and services can increase the CUP directly. The implementation will improve brand credibility and loyalty. It will lead to repeat purchase.
Relevant	This objective is set to improve LTV by increasing the unit price per customer.
Time-bound	This objective should be realized by the end of the fourth quarter of 2024. This implementation will start at the first quarter of 2023. However, expectations should be managed as an increase in CUP cannot be achieved in a short time period.

Table 7 the SMART objectives of the implementation
(Continued to the next page)

	Objective 2
Specific	Increase positive comments about Nanushka by 20% in the press and word of mouth on social media by the end of the fourth quarter of 2023.
Measurable	The brand can check the media exposure and content of social media posts about Nanushka after the services start by using a social listening tool.
Attainable	PR activities (press releases and media inviting people to workshops) at the time of the launch of this service will increase media exposure. In addition, customers attending events and watching online content will also increase word-of-mouth on social media. Therefore, this objective is achievable.
Relevant	This objective should lead to an increase in positive reviews, improved brand loyalty, and brand equity. This will also increase awareness of the brand's post-purchase services and increase the number of the users. Ultimately, this will help the brand achieve the circular fashion business model they are aiming for.
Time-bound	This objective should be achieved by the end of the fourth quarter of 2023.
	Objective 3
Specific	Increase the monthly page views of the Nanushka's website by 15% from the current page views of 128.9K by the end of the fourth quarter of 2023.
Measurable	The brand can track the monthly page view using Google Analytics
Attainable	Consumers can access the educational content and the information about cleaning service and workshops from product pages on the online store, social media, and in the press. After launching the services, the visitors of the website are expected to increase. Therefore, this objective is achievable.
Relevant	This objective, increase in monthly page view of the website, is related to the consumer awareness towards extending product lifespan and reducing the environmental impact when consuming the products.
Time-bound	This objective should be achieved by the end of the fourth quarter of 2023.

Table 7 the SMART objectives of the implementation

3.4 The marketing mix

A more specific explanation of the process of this implementation will be illustrated in Table 8 along with the service marketing mix (7Ps). The 7Ps help make the implementation a more effective marketing strategy (Booms and Bitner, 1981).

Product	• Clothes Doctor's special kit (£20) includes detergents, cleaning tools, and fabric spray suitable for vegan leather products (Figure 9). • Workshops will teach customers how to maintain Nanushka's vegan leather (cleaning spots and repairing). Participants will bring their own Nanushka's vegan leather items to the workshop. • Online content consisting of videos and articles about how to maintain vegan leather items (Figure 10). They will be posted on Nanushka's website and Instagram. Customers can also access this content from QR code put on the Digital ID garment and price tags. • Nanushka offers a cleaning services and products in collaboration with OXWASH and Clothes Doctor. This will meet the needs of target customers who want to increase the durability of their clothes.
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Table 8 7Ps of the implementation
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Figure 9 Clothes Doctor's special kit
image (Clothes Doctor, no date)

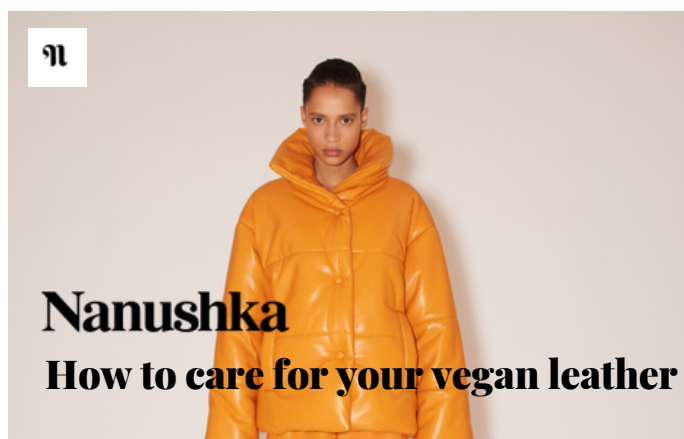


Figure 10 Video content image
(Nanushka, 2022)

Price	• The vegan leather cleaning kit is £20. The cleaning service is MAX £ 39.95 for a long coat. • There is no entry fee for the workshops. Customers need to apply online to attend the workshops in advance. This aids in monitoring for potential inequalities of access.
Place	• The workshop will be held once a month on Sunday at the London Flagship Store (Figure 11 and 12). Using flagship store can provide customers with a unique brand experience.
People	• The lecturers of the workshops will be cleaning/repair specialists partnering with Clothes Doctor. This would help to establish brand credibility. • Nanushka's staff will also be asked to join to help manage the workshops and help facilitate the sales of the vegan leather care kit and the cleaning services. • The maximum number of participants per session will be 15. By holding workshops in a small group, communication between customers and staff can be more active. • After workshops, the time to chat with participants will be provided in Nanushka café.
Process	• The services (cleaning service, purchasing care kit, registration for the workshop) will be provided from both digital and physical touch points such as from the Digital ID tags, POSM (Point of sales materials), storefront signage, and the website. Customers can use these services without the stress of wasting time.

Table 8 7Ps of the implementation
(Continued to the next page)



Figure 11 Nanushka London flagship store
(Lee, 2021)



Figure 12 In-store workshop image
(nau, 2019)

Promotion	• Announcements for this service will be made through in-store communication, the website, the online store, social media (492,000 Instagram followers), and newsletters. - IShop staff in the flagship store will explain the services to the customers who purchased vegan leather items. • On the product pages of the online store, the service information will be displayed as well as on the post-purchase page to promote customer awareness. • The videos will be posted on both Instagram stories and the normal feed. • PR activities will be conducted before the launch day and the PR manager will send press releases to fashion media outlets and journalists. Some select media will be invited to the first session of the workshops.
Physical evidence	• In the workshops, customers will be served some refreshments from the Nanushka café. • They can communicate with the other customers and Nanushka's staff. By participating in the workshops and going using online self-care content, customers can feel a sense of satisfaction and gain an improved self-image by contributing to sustainability activities. Moreover, customers will feel a sense of belonging to a sustainability-conscious community.

Table 8 7Ps of the implementation

3.5 Timeline

Since the need to clean vegan leather outerwear will likely be in high demand during the spring season, the implementation timeline of the self-care services is proposed as follows:

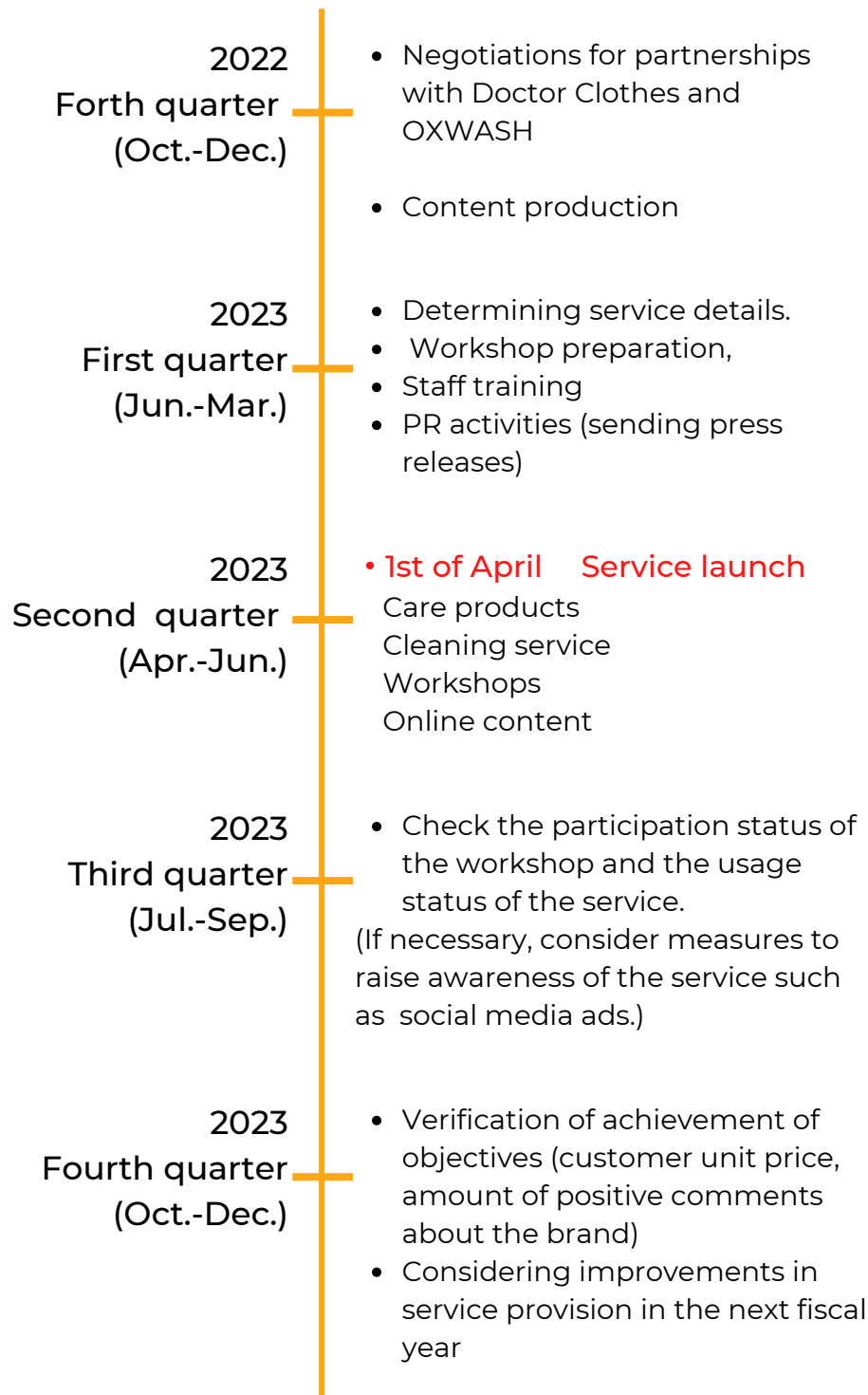


Figure 13 The Implementation timeline

3.6 Indicative Budget

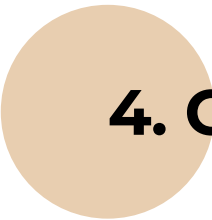
To realize this marketing mix in the implementation, the estimated budget is provided.

The cost of aftercare services for vegan leather products		
Clothes Doctor's clothing care products	This will be done on a consignment basis so there will be no initial or upfront costs.	15% of sales will be Nanushka's revenue as a sales commission
Nanushka x Clothes Doctor Vegan leather care workshop	- Lecturer casting fee: 2 specialists in laundry and repair. - Hourly wage is £16 /1 hour (Payscale, no date) 1h 30 minutes ×3 times Total: £144 - Clothes Doctor Sample sized kit for event participants, - One sample kit £6.9 MAX 45 people (15pp×3 times) Total: £311 - Tools for workshops - Cleaning cloths, brushes, detergents, etc. Total: £300 - Long tables for workshop 6 seater (rental) : £29 /1 month 4 tables ×3 months Total: £348 - Drinks for participants (Nanushka café) 1 drink £5 MAX 60 drinks Total: £300 - Simple webpage for the workshop - Design fee Total: £1,000	Grand Total: £2,403
Video content creation (a 5 mins video: How to care for Nanushka's vegan leather items)	- Supervisors (Clothes Doctor)/ Specialists in laundry and repair. - The average salary is £16 /1 hour (payscale, no date) - Estimate of 6 hours needed Total: £100 (6 hours) - Models - Casting fee: £2,000 (Hammerson, no date) - Hair stylist: £300 - Makeup artist: £300 Total: £2,600 - Video production - Set design: £400 - Filming and editing : £8,300 (PULSE, 2022) Total: £8,700	Grand Total: £11,400

Table 9 Breakdown of estimated implementation costs
(Continued on the next page)

Table 9 Breakdown of estimated implementation costs

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4. Conclusion and recommendation

This report first clarified Nanushka's brand positioning and external competitive environment. Then, its current sustainability practices were analyzed by using a value chain analysis to identify good performance and potential areas for future improvements. The brand cares about managing human resources and strives to increase the transparency of its supply chain information. They are also introducing repair and resale services and digital technology to track product journeys with the aim of realizing a circular economy. However, most of their material use is with synthetic fibres such as vegan leather and artificial cellulose, and efforts to reduce their environmental impact in production and consumption are inadequate.

Several strategies have been considered to strengthen Nanushka's circular business model and reduce the environmental impact of selling plastic-based vegan leather products. First, aftercare services for vegan leather items was assessed as being the most appropriate strategy for the current business environment. These services include the recommendation of home-care cleaning vendors and the selling of home care kits. Furthermore, creating educational content and providing workshops were also put forward as ways to shift Nanushka's business from a goods-dominant to a service-dominant logic that co-creates value with customers. The shift also benefits each of the three aspects of Nanushka's triple bottom line. This in turn, leads to the long term benefits of deepening customer brand loyalty and extending the LTV of customers.

In the future, Nanushka has two options for expanding their home care services and products throughout their operations. The first option is to move these activities into the US market which accounts for the majority of Nanushka's sales. They could do this simply by changing their laundry service partners. Secondly, Nanushka could widen their home-care service offerings beyond vegan leather to include synthetic fiber products as well. This could further reduce the negative impact of other environmentally problematic materials used in their production process. Overall, reducing the environmental impact of every item they sell during and educating consumers about home-care options will synergistically improve the performance of their brand both within the UK and the world at large.

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