

Five brands tell *WSA* about upcoming launches and strategies, as well as how the seven-storey Axtell Soho will boost their standing in Europe.

# VF's new London HQ 'shows commitment'

**U**S-based clothing and footwear group VF Corp has launched a UK headquarters in the centre of London's shopping district, which it says is a demonstration of the group's commitment to Europe. The seven-storey building, Axtell Soho, will serve as a showcase for buyers and partners to view the latest collections, and for the group's employees to share ideas and host meetings.

It has dedicated floors for its 'big three' - Timberland, The North Face and Vans - as well as showcase space for Kipling, Napapijri, Dickies, Eastpak, Smartwool, Icebreaker and Altra. It also has a digital innovation and design studio on the sixth floor and a landscaped rooftop garden.

Martino Scabbia Guerrini, VF group president for Europe, the Middle East and Africa (EMEA), said: "Having our experiential brand showcase for retail customers in the centre of one of the top fashion capitals will help our brands to support our growth in the years to come, including recruitment of the industry's best talent."

He added that the year since the building work began on Axtell Soho has been "intense" for the group, not least because of the spin-off of denim brands Wrangler, Lee and Rock & Republic into Kontoor, which finalised at the end of May. In that time the group has bought and sold 10 businesses with a cumulative value of \$5 billion. "We are a big group but we can change direction quickly," he said.

## Timberland's credentials

One of the stars of the group is Timberland, which increased sales by 4% in 2018. Last October, the company hired UK-based designer and "true visionary" Christopher Raeburn as creative director, a move that highlights an even greater push towards sustainable design and thinking, which Mr Raeburn is known for.

"Fashion and clothing manufacturing is the second biggest polluter out there. You could look at this as being daunting but there's such an opportunity to change," says Mr Raeburn. "The reality is that people need clothes, footwear and accessories but we need to be making these in a positive way. If the work that I've learnt



## A move towards natural fibres?

New Zealand-based merino specialist Icebreaker was the first 'purpose-led' acquisition by VF, in April 2018, under a new strategy that "focuses on the planet" and unites the brands. Icebreaker's chief brand and product officer, Carla Murphy, says having the group's backing will help it to grow in global markets. "Because our head office is in Auckland it can feel far away, the reality is that being part of VF is a huge opportunity for Icebreaker because of the scale. There's no point having what we have in our credentials and being a niche brand. Reaching the masses on natural alternatives is absolutely critical to the future of the environment."

Icebreaker was founded on the belief that nature "has the answers" and wishes to educate people about the reality of plastics, including the impact of microplastics that are released when clothes are washed. This strategy might seem the antithesis to those of some of the other VF brands, which rely heavily on synthetics, but VF's Mr Scabbia believes natural fibres will become increasingly important. "We believe the natural fibre segment is going to expand because people want that against their skin. The global agenda is not going to be set by us, it will be set by the new generations, so we need to listen them."

For spring/summer 2019 season, Icebreaker launched the '7 days, 1 tee, 0 washes' campaign, taking advantage of merino's natural odour resistance to reduce the amount of water consumed. "Collectively we should know the impact of everything we're wearing," says Ms Murphy. "For us it's about not just talking about the product and materials but trying to engage in helping people being aware of the impact."

Icebreaker has a seven-step supply chain which creates full transparency, and Ms Murphy claims it is the first company to offer 10-year contracts to merino stations, to help the farmers mitigate pricing volatility. She thinks the key to growth will be pushing "inspiring educational information". She adds, "Outside of innovating for innovation's sake, responsible brands have got to use what they've got to change the conversation."

*VF's new London headquarters in Warwick Street, Soho.*

 VF Corp



through my own company can be magnified through Timberland, and VF continues this through its other companies, then everything shifts together."

One of the things he is most excited about, he tells WSA, is recycled leather, and the company is conducting tests to try to create a material that could one day replace some of the leather in its boot collections. "At the moment we are working with scrap leather from tanneries, but hypothetically it could be an old pair of Timberland boots. That's the dream and what we need to work towards."

He explains one of the reasons for looking at leather is to reduce waste, as the yield from a hide can be "quite wasteful" but with recycled leather on a roll the yield is 97%. And unlike the Flyleather bonded product that Nike is using, it will not be backed with, or glued together with, plastics: "That would be counterintuitive, I need to be quite clear on that."

He adds that where end-of-life and recycling concepts often fail is not necessarily the material innovation but the logistics. "Hypothetically, we can have a customer bring an item back to a store, but what happens beyond that? Has that item been designed originally for disassembly, is it all one material, or does it need to be pulled apart?"

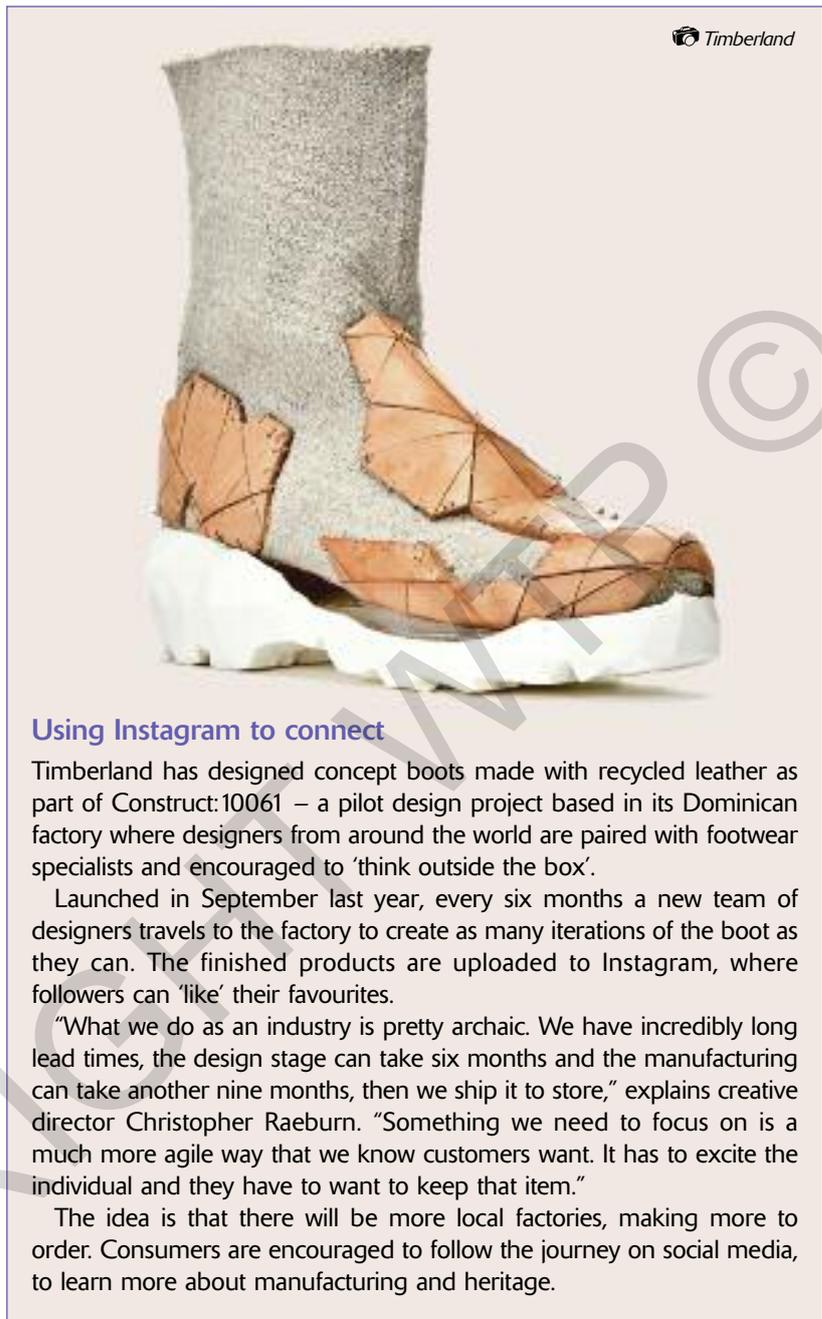
"There have been tests done on 'design for disassembly' and the return of the product has been the big issue. Generally speaking, Timberland products are well made, they last a long time, and so when people have an emotional attachment to things, getting them back can be tricky. This is just one of the things we are grappling with."

Timberland has ambitious sustainability targets, which it is hoping to hit next year: 100% of cotton will be US-origin, organic or Better Cotton (75% last year); all footwear will contain at least one element of recycled, organic or renewable material (69% in 2018); all footwear and apparel will be PFC-free (97% in 2018); and 100% of footwear featuring durable water repellents (DWR) will be perfluorinated chemicals (PFC) free, up from 91% last year.

"We are lucky because the founding Swartz family put CSR at the forefront of their company way before it was a trend," Timo Schmidt-Eisenhar, Timberland's EMEA president, tells us. "In the 1970s and 80s there was no sustainability trend but the family wanted to do the right thing in terms of how the products were produced and taking care of the people in the factories. We did it before everyone else."

### PFC alternative

One of the big stories in the outdoorwear sector in recent months has been the launch of The North Face (TNF)'s Futurelight – a



### Using Instagram to connect

Timberland has designed concept boots made with recycled leather as part of Construct:10061 – a pilot design project based in its Dominican factory where designers from around the world are paired with footwear specialists and encouraged to 'think outside the box'.

Launched in September last year, every six months a new team of designers travels to the factory to create as many iterations of the boot as they can. The finished products are uploaded to Instagram, where followers can 'like' their favourites.

"What we do as an industry is pretty archaic. We have incredibly long lead times, the design stage can take six months and the manufacturing can take another nine months, then we ship it to store," explains creative director Christopher Raeburn. "Something we need to focus on is a much more agile way that we know customers want. It has to excite the individual and they have to want to keep that item."

The idea is that there will be more local factories, making more to order. Consumers are encouraged to follow the journey on social media, to learn more about manufacturing and heritage.

material created using a nanospinning process that offers waterproofing and breathability without PFCs (covered in detail in WSA July-August). VF CEO Steve Rendle claims there has not been a breakthrough in waterproof breathable technology at this level "in many, many years" and the group recently allocated an extra \$20 million for its marketing. TNF is so confident in the development that it is expanding it from expedition level gear (available this September) into more commercial collections for consumers by February 2020, and also into its shoes.

"We made a big commitment as a brand to remove PFCs," Amanda Calder-McLaren, TNF communications director for EMEA, tells us. "We believe Futurelight is as good, and Gore-Tex will no longer be used [from next season]."

The move is in line with a statement by TNF



Vans showroom in VF's new London headquarters.



in 2016 that it would aim to use 100% non-fluorinated DWR in apparel by 2020. It has been working on Futurelight "for years", and although it will still have lines with short-chain DWR, it says it is a significant move in the right direction.

For the Europe-focused side of the business, whose headquarters are in Switzerland, having the Axtell building in London is an opportunity to benefit from the "cross workstreams and injections of innovations and design cross-fertilisation".

"It's fantastic to be given a brand storytelling space in such a key city," adds Ms Calder-McLaren. "It will have a dual purpose as a showroom but also as a brand hub. We're close to media and athletes, and it is a base from which to expand the Explore Fund, our CSR initiative."

### Vans skyrockets

VF's best-selling company in the UK is skate shoe brand Vans. Founded in the US in 1966, the company has shown phenomenal growth since being bought by the group in 2004. Over the past three years, sales have jumped 25% annually to reach around \$2 billion last year.

"The growth rate has put a bit of pressure on us to keep up the momentum," Van's manager for EMEA, Stefano Saccone, tells WSA. "We need to be a bit more transparent about our accounts and explain to the group how we expect to maintain the growth."

He says the company is focusing on various strategies, the first of which is 'skate leadership'. "We are the world number one skate shoe," he explains. "It says it on the inside of the shoe but I think there's some work to do to make the consumer understand that."

Men's apparel will become increasingly important. "Moving from skateboarding into lifestyle means more head to toe. We are launching in women's apparel as well, but globally the focus is on men's."

The third key area is innovation, particularly through the ComfyCush sole which launched at the start of this year. The three-layered waffled sole adds a 'comfort proposition' to classic styles. "All this newness is looking through the lens of our icons," he adds. "We're not going to reinvent the wheel on who we are."

VF has announced plans to grow Vans

### The North Face tells its sustainability story

- North Face Renewed – Used clothing is sent to Oregon-based partners at The Renewal Workshop where it is cleaned and repaired and resold online at thenorthfacerenewed.com.
- Clothes the Loop – Customers take used outdoor gear from any brand into TNF stores and receive vouchers for money off purchases.
- The Gear that Keeps Giving – Unwanted apparel is donated, repaired and given to charity. After a recent pop-up in Munich, around 700kg of clothing was handed to the Outward Bound Trust in Germany.
- Bottle Source Collection – Plastic bottles collected at national parks in the US are used to make up part of the range, which includes t-shirts, hoodies and tote bags; \$1 from every sale goes to the National Park Foundation.
- The Explore Fund – The fund focuses on protecting outdoor spaces and encouraging access to nature, and includes a recent partnership with the Outward Bound Trust in the UK to enable children from black and ethnic minority backgrounds in urban areas to visit the mountains. "When you go exploring you make connections with people and places that can then make a difference to how you view and treat society," says TNF's Amanda Calder-McLaren.

revenues to around \$5 billion by 2023 – which means all areas of the growth strategy will have to yield returns. Following successful collaborations with Comme des Garçons, Kenzo and Raf Simons, Mr Saccone tells us: “We have a big one in the pipeline but I can’t tell you who it is yet. All I can say is we’ve stepped it up for autumn 2019 and spring 2020.”

### Altra joins the fold

The most recent brand to join the VF portfolio is US-based trail running specialist Altra. The company was launched in Utah seven years ago – all the styles are named after local trails – but it will be soon be moving to Denver alongside VF's other companies.

Fabio Marangoni, its EMEA sales and brand director, explains its selling points are the ZeroDrop sole, which positions the heel and forefoot at an equal distance from the ground; the Footshape Toe Box, which helps spread weight across the toes; and Fit4Her, which caters for the female foot shape.

With the brand being relatively new, the biggest obstacle is that not enough people know the name, he says, but when they try the shoe, 80% buy again. “This level of customer loyalty is quite unique,” he claims.

The company is now trying to make inroads into the outdoor lifestyle segment and is choosing ambassadors to start working with it this autumn. “We are quite strong in Japan and Thailand where there is a trail runner community. Now the focus is on North America, Asia and Europe.”

Being brought under the VF umbrella has had a major impact on Altra. “The VF platform gives you network and confidence. When we talk with dealers now, they know we are backed by VF so they are more interested to hear our story.”

### City centre showroom

Mr Raeburn says VF's multimillion-pound investment in Axtell Soho shows how important the UK is as a market, bringing in around \$500 million a year in sales and 20% of Europe's business. He says it will enable all VF's brands to market its products better, collaborate and host events.

“It speaks highly that a company like VF is investing in London and the UK at a very challenging time,” he says. “Timberland is looking to push things forward in terms of sustainable design so this is an opportunity for people to come and see what's happening within the UK and Europe.”

According to VF, divesting the denim companies was a strategic move to “sharpen management focus”, free up money to invest in its outdoor brands and give the group more flexibility to buy other companies.

Footwear remains an important proposition, reflected in the Altra purchase, and sources from The North Face tell us 2020 will be an exciting year for shoes at their company. There might even be the possibility of groupwide technologies – perhaps Futurelight might make an appearance in some form at other brands.

“We believe there's only one way: credible, sustainable innovation and great aesthetic and design. The product has to be constantly reinvented, so it's the strength of the products, the strength of the storytelling, the narrative,” concludes Mr Scabbia Guerrini. “We are closely monitoring everything happening in the world – from China tariffs to Brexit – but we have to focus on how we can grow. Today is about looking at how we make investments, even against the wind.” 

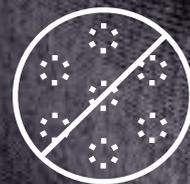
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