CONSERVING IT

Harkening Back to a Bygone Era

The idea of buying goods that last is resonating with more consumers.

By MARK ELLWOOD

LAUREN FLEISHMAN FOR THE NEW YORK TIMES

When Justin Galimore was growing up in rural Georgia, there was no garbage collection on his family's dirt road.

"Every two weeks, we would load up the pickup truck with trash, and throw it into a landfill," he recalls. "Watching the bulldozer drive over it, there was nothing magical about waste disposal. It was just going to sit in the ground for the rest of your life — or the foreseeable future."

Still, his family would buy, then discard, stuff without a second thought. "It's a farming community, a very conservative area, where people don't think about how long a product will last before they have to buy another one," he said. "I don't remember anyone talking about recycling until I moved to Colorado."

Now 32, living in Berthoud, Colo., and working in the internet technology field, Mr. Galimore has changed how he thinks about what he buys. Conserve, reuse, recycle: it's a constant refrain among his neighbors and one he has taken to heart. Mindful of those mounds of landfill back home, Mr. Galimore has made a particular effort to buy higher quality products; better, he reasons, to invest in something built to last, or at least be repaired.

Take his favorite socks, from Darn Tough, a Vermont company. Made from moisture-wicking, extra dense merino wool, one pair costs $20. "But they come with a lifetime guarantee," he marveled. "I normally burn through socks, but I've put 200 miles on these."

The idea of buying goods that last isn't new, of course. It was what consumers did in earlier generations from a bygone era. But the notion of lasting value appears to be resonating these days with young, value-conscious, environmentally aware buyers who are rebelling against the proliferation of cheap, disposable goods or the planned obsolescence built into many products.

One company that has caught on to this trend is Buy Me Once (www.buymeonce.com).

The two-year old website was founded by Tara Button, 36, of London, with a simple mission: helping us buy fewer, better things. Think of her firm as a nudging reminder that heirloom was once more than just a flattering description for a tomato.

"We want to change the way the world shops, from short term to long term buying," she explained by phone from her UK headquarters, "Long-lasting products save the planet and save money — people seem to have lost sight of that."

It was a birthday gift that sparked the idea for her company: a pan by French cookware firm Le Creuset, which famously offers a lifetime warranty on its products. Ms. Button was smitten, and began searching for other companies with similar guarantees.

"I wanted everything in my life to feel like this: an investment that I knew I would never have to rebuy." Startled that there was no comprehensive resource to steer such shopping choices, she decided to start one, jettisoning a dead-end job in advertising for this passion project.

From the outset, Ms. Button used simple criteria to assess whether to add a firm to the site — including durability, ethical production, and exceptional aftercare — as well as checking to see if customers' online reviews buttress companies' claims.

"It's like panning for gold," she explained of the process, "Brands that seem to fizz their way to the top."

One such standout is Minnesota's own Duluth Pack, a 135-year-old canvas and leather bag company that still offers a lifetime guarantee and repairs for free or a nominal fee. Compare that with start up Swedish Stockings, which focuses on sustainable hosiery: if you mail old pantyhose to the start up so it can recycle them, rather than consign them to a landfill, Swedish Stockings will provide a discount code to buy a pair of its own, long-lasting hose.

Durability isn't the driving appeal of Davek umbrellas, though they're sturdier than their drugstore counterparts and come with a lifetime warranty.

Rather, Ms. Button selected their products for Buy Me Once because of the inventive ways in which Davek anticipates the commonest problem — losing that umbrella.

Its Loss Alert technology pairs with a smartphone app, and will send a message if the owner moves more than 30 feet away; if even that fails, Davek extends a 50 percent discount on replacements.

There are alternatives to fast fashion, too, like Marie Hell, a New York City-based woman's wear label. Ms. Button worked with the firm to devise a mechanism by which it could encourage customers to fix their clothing rather than throw it away: send a smartphone snap of the damage to the designer, and it will pay $30 toward any repairs undertaken by a tailor near the customer — far easier and more resource neutral than mailing it back.

Eileen Mandel of Marie Hell says that Buy Me Once now makes up 30 percent of its international sales. "No one — that's right, no one — has cashed in a voucher," she said. "We knew we could offer this unheard-of bonus because we have 100% confidence in our product."

A wall of products in Tara Button's BuyMeOnce warehouse. The wildlife photograph was purchased as inspiration — to remind her and her staff of what they are trying to save. At top, Ms Button in her London workspace.

Buy Me Once began with just 100 fully vetted items; it now lists more than 1,500.

While most of the company's business is online and through affiliate links, she has also used brick and mortar pop-up stores. And she is starting a *Good Housekeeping*-style certification that brands can use to tout their sustainable credentials.

For buyers who like to measure the impact of their purchases, she will soon add a price per use calculator to the site, which she believes will help people better see how costs amortize over time.

The shift in shopping from investment to convenience occurred in the postwar period, according to Tim Cooper, a professor at Britain's Nottingham Trent University and editor of *Longer Lasting Products*.

The development of cheap new plastics in the 1950s gave birth to a new consumerist mind-set. "It changed from a society where products were purchased on the basis they would last as long as possible to a world where things are replaced as frequently as possible," he explained. The invention of market-based pricing in the 1980s had an impact too: retail prices were unmoored from production costs for the first time, and instead decided according to what a customer might reasonably pay — breaking the age-old link between cost and quality.

Planned obsolescence was a natural next step, where products are designed without possibility of repair or to fail after a certain period — Mr. Cooper cites printers in particular, which he says will often be programmed to produce a limited number of copies and so curtail their life span. No wonder electronics remain one of the toughest categories for Ms. Button and her team.

The best way to drive change, of course, is consumer power — as another Buy Me Once loyalist knows all too well. Dominic Latchu, 34, is a student in Durham, N.C.

He's glad that products he's found through the site have sustainable *bona fides*, but it's pure economics that have made him an evangelist; one of his favorite purchases was an Elvis & Kresse messenger bag, which is made from upcycled hoses decommissioned by the British fire brigade.

"Rather than buy a cheap product 10 times a year, it makes more sense to buy one that will last much longer — you can't beat an investment that comes with a lifetime guarantee," he says.

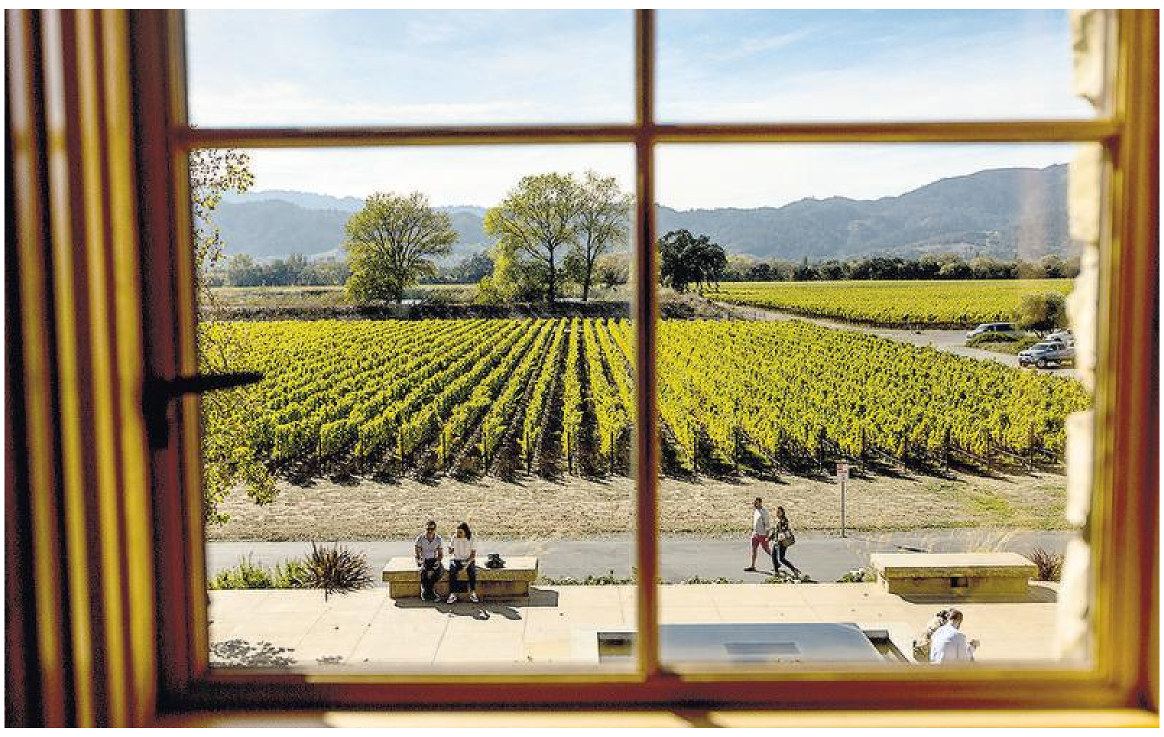
Every such purchase can contribute to a shift away from that postwar manufacturing mind-set. "If more people start buying durable, long-lasting products, eventually producers will have to shift to making things that last longer."

SECURING IT

Meeting Demand by Buying the Supplier

More high-end luxury brands are buying the companies that supply their raw materials.

By MARK ELLWOOD



PHOTOGRAPHS BY RACHEL BUJALSKI FOR THE NEW YORK TIMES

In the last six years, David Duncan has been on a buying spree. The Napa Valley-based winemaker and owner of Silver Oak Cellars hasn't been splurging on fast cars or vacation homes, though. He's been buying up vines — close to 500 acres in Northern California and Oregon.

It's been a tough process, at times: He almost lost one site to a wealthy Chinese bidder. It was only when he raised his offer by $1 million that he clinched the sale at the last moment. At the same time, Mr. Duncan also took full control of A&K Cooperage, now the Oak Cooperage, the barrel maker in Higbee, Mo., in which his family had long held a stake. These hefty acquisitions are central to his 50-year plan to future-proof the family business against a changing luxury marketplace.

As Mr. Duncan realized, this market faces what might seem an enviable problem: a surfeit of demand for its limited supply. The challenge the winery will face over the next decade is not marketing, or finding customers, but finding enough high-quality raw materials to sate the looming boom in demand. Though there might be economic uncertainty among the middle classes, wealthier consumers are feeling confident and richer because of changes like looser business regulations and lower taxes.

According to Bain & Company, a management consultant, the global luxury good market for 2018 is expected to top out at around $321 billion; by 2025 Bain predicts the market will grow to about $443 billion, or an increase of about 38 percent in just seven years.

Much of that is driven by China This year, for the first time, McKinsey & Company, the consulting firm, expects the number of Chinese millionaires to exceed that of any nation, while by 2021 it will have the most affluent households in the world. Fine wine and champagne is a particular bright spot, with 2017 sales up 9 percent from 2016, according to Euromonitor International, a market research firm.

"The grape growers and cooperages have options to sell to other wineries," Mr. Duncan said. "By taking full control of that, we don't face those competitive threats for fruit supply and barrels."

Whole prices for grapes have risen the last seven years, he said, from around $4,500 per ton to an expected $8,000 per ton this year; owning his supply chain safeguards Silver Oak's overhead.

Likewise, although 80 percent of Oak Cooperage's output is destined for Duncan's vineyards, he can choose whether to sell the remainder to other winemakers or whisky houses — or retain it for himself, as he will in 2018.

In Europe, the Champagne-maker Louis Roederer, which produces its namesake brand as well as Cristal, has made similar acquisitions.

Traditionally, the company said, 90 percent of the growers in the region, around 15,000 sites, are small holders who sell their annual harvest to champagne houses.

Frédéric Rouzaud, president of Roederer, recognized this was a vulnerable position in a changing luxury landscape. So he spent the last six years acquiring controlling stakes in about 37 acres of precious land

"If I had the opportunity tomorrow to buy more vineyards, I would do it without hesitation," he said. "We want to ensure supply for the future, and one of the best ways to do that is total control."

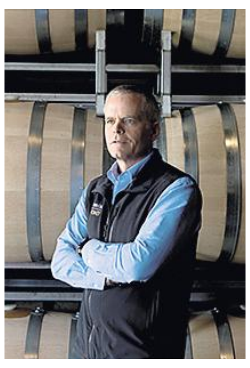
Companies in other luxury sectors are also readjusting their businesses to emphasize greater vertical integration, either by acquiring their suppliers or starting their own farms.

The Italian tailor Kiton owns Carlo Barbera, the mill that has long provided its ultraluxury fabrics, while Chanel's recent spree has included the embroidery company Lesage, the cashmere mill Barrie and the tulle and lace supplier Sophie Hallette, among others.

Parterre, the British fragrance house, created its own on-site botanical garden at Keyneston Mill in Dorset, England, to grow the aromatic plants that would form the cornerstone of its limited-edition fragrances. Much the same instinct underpins the rise of cottage gardens at high-end hotels like Borgo Santo Pietro in Tuscany, Italy: its Michelin-starred restaurant relies entirely on the organic farm attached to the property, which includes a dairy and apiary.

"They are securing the sources of their competitive advantage," said Mario Ortelli, a luxury analyst with Ortelli & Company of London. "If your supplier works with 10 other luxury brands and you're not the most important client? When you ask for extra quantities, he can tell you, 'My friend, sorry, you must wait.'"

Hiccup-free supply isn't the only reason such brands are keen to acquire their sources, said Franck Delpal, an expert in vertical integration and a professor at IFM, a fashion school in Paris. Owning a farm adds a welcome, artisanlike aura to any brand, and consistency of quality is easier;



David Duncan, the owner of Silver Oak Cellars in California, ensured supply of his wine barrels by taking control of the Missouri company that supplied them. At top, the vineyards.

there are financial upsides, too. "If you control the greater part of your supply chain, you get margins at every step, and at the end of the day, it creates big business."

It also can create bigger, less nimble companies; juggernautlike conglomerates often respond less adroitly to the fast pace of contemporary business. Moving beyond core competencies is risky and requires executives to learn new skills. Budgeting for a farm, for instance, is a drastic departure from handling advertising for luxury purses.

Vertical integration is also a long-term strategy, where the financial benefits only emerge after steep initial investments — a single hectare (about 2.5 acres) in Champagne, France, can cost 1 million euros (about $1.14 million) or more. It requires steel nerves and deep pockets.

No wonder future-proofing the supply chain in this way is much easier for privately held firms, including Silver Oak, Roederer, Chanel and Kiton. They don't risk shareholders balking at the capital outlay and its impact on their balance sheets.

Mr. Delpal says that the easiest way to find publicly traded companies that have braved that potential backlash to invest in the future is to look at their value-added ratios: the lower the numbers, the less vertically integrated their operations — and the more vulnerable they will be when demand begins to outstrip supply. Higher numbers suggest better performance in the new luxury landscape.

Kering, the French luxury conglomerate, intends for its component brands, including YSL, Gucci and Balenciaga, to sit at the upper end of that register and has acquired several suppliers. They include a majority stake in a French tannery, France Croco, to safeguard its supply of crocodile skins, as well as a python farm in Thailand.

Marie-Claire Daveu, Kering's chief sustainability officer, acknowledges that looming scarcity, by volume or quality, underpins the strategy, but stresses a bigger mission, too: sustainability. he says that 90 percent of Kering's environmental impact lies deep in its supply chain, often with where and how its raw materials are produced.

Consumers are alert to that quandary.

"Investors and stakeholders are asking more and more questions about sustainability," she said, "and we want to change the paradigm."

Since delving deeper into the supply chain has become a focus for Mr. Duncan, there's a natural next step:

"I wouldn't rule out becoming a tree farmer," he said.