

# Icebreaker



**The closer we get to nature, the less likely we are to find people wearing something natural.**

**This simple observation was behind the creation of the first truly new category in outdoor clothing in the past decade.**

Jeremy Moon, founder and CEO of Wellington-based Icebreaker Nature Clothing realised the opportunity presented by this paradox when he first saw finely woven merino wool. "It felt like nothing I'd ever touched - silky soft, warm and natural yet it could be thrown in the washing machine."

Moon tested his hunch that this fabric could be a breakthrough in outdoor clothing by giving merino clothing to two of New Zealand's greatest adventurers. Sir Peter Blake wore Icebreaker for 43 days non-stop on the Southern Ocean leg of his round-the-world sailing venture in 1995 and it remained warm when wet and odour-free. Graham Dingle MBE also proved its performance, testing Icebreaker in the Arctic circle, Southern Alps and Antarctica. This gave Moon the confidence to quit his job, mortgage his house and launch the Icebreaker brand.

The first step was to study existing outdoor brands. "As well as being all synthetic based, most were telling a similar story about men conquering mountains as quickly as possible - literal and predictable 'hard adventure' stories. I knew that if we thought it through there was an opportunity to create something truly different, that brought to life the benefits of using a natural fibre in nature."

He created that difference through design, by pulling together a small team consisting of a brand strategist and graphic design company. The logic was simple: He envisaged a category that could be fundamentally differentiated from the ubiquitous petrochemical-based synthetic outdoor clothing. In the mid 1990s, there was no viable alternative to synthetics for those in the mountains.

If merino wool allowed the animals to thrive in the mountains, it might do the same for humans. But it would only work for humans if it could be transformed into a brand with a meaningful story and values, and a clothing system that could be equally at home in the mountains and the city.

Moon knew if he could tell a story that fundamentally distanced merino from traditional wool and synthetics, and differentiated the product further through world-class design, he had the

basis of a powerful commercial opportunity. He suspected it might bring people together in nature, more naturally.

## **The Insights**

### **Get clear on the idea: develop your story first, product second**

Even before the first garment was designed, Icebreaker developed a story with the potential to excite a global audience - the story of a natural fibre from the mountains that could reconnect humans with nature.

### **Embrace intuition**

Moon says a big distinction between a design-led company and marketing-led company is in their proximity to, and understanding of, their customers. A design-led company uses research to confirm their intuition, not to lead their thinking, and the people within the company 'live it'. "Design-led required an intuitive leap, not just trying to find out what people want, because most people don't know what they want until they see it."

### **Go beyond the obvious**

At the most basic level, wearing a merino garment is about staying warm. In the Icebreaker world, products are designed to transcend the basic need for warmth and relate to the customer on a broader level of values-based wants eg. Aspiration is important; having adventure at the heart of the brand talks to the yearning for adventure and excitement that is latent within many people.

### **Different is critical, but it must be a meaningful difference**

You can make an underwater car that is beautiful and different to anything else, but it's not necessarily a product that is meaningfully different. Moon says that to be successfully design-led, a company needs to make products that are unique, well executed through high quality design and production, and meaningful to consumers.

### **Have a marketing focus at the top**

Any company wishing to be world class at identifying latent or new needs requires a strong marketing focus at the top. Moon says this will also ensure sufficient investment in design capability and a company culture that is geared to living the brand in everything it does. This can be achieved by having a CEO who sponsors projects, or a direct line from design or marketing through to the CEO. The whole culture of the company needs to embrace these design-led principles, from the top down.

## **Designing the difference**

### **Designed with a single-minded focus on the wearer achieving a sense of oneness with nature.**

Icebreaker created a new category. But, in Moon's words, if it wasn't well executed they might as well have "just been selling jerseys".

"We needed to design our story into every Icebreaker garment - a story about relationships to nature and to each other. Everything we do, every aspect of our design, must support this core theme."

Hence the notion of Icebreaker, of breaking the ice between people, between mankind and nature and between wool and skin. Icebreaker garments are designed to capture the physicality of the human body and a sense of the possibility of adventure, every time they are worn.

In a world increasingly distanced from nature, the power behind this sense of possibility is growing. "In an age that's becoming increasingly unreal, the value of what is real goes up," says Moon.

Each year the core brand themes are reviewed and new relevant brand themes are discussed and worked into the design execution plan for the year. Leading through ideas ensures the product is always relevant and fresh.

## **The Insights**

### **Make every aspect of your product reflect your brand values**

If your product design, graphic design and language work as one, you'll have a product that's an expression of your brand values, rather than a product with a brand stuck on it. Central to this is the use of words - one word is the difference between success and failure for Icebreaker. Wool. Given wool's negative connotations as a fabric against the skin, the word "merino" distances Icebreaker from both wool and synthetics. In doing so, it creates a new category.

### **Design maintains distance from competitors**

Once a product is released, its design can be imitated relatively easily. What can't be imitated is What is in the Icebreaker design team's strategy - that's where the next innovation comes from. There is a years lag between initial design and what appears in the stores and all the while the design team is innovating further. The further the distance between your ideas and those of competitors, the greater the uniqueness of your product and This results in price becoming less of a factor for customers.

### **Remain narrow.....and deep**

There's a \$2.2 billion market in the US for outdoor clothing - and outdoor clothing is still referred to as niche. Moon says there's no need for a design-led New Zealand exporter to look beyond a niche. Apart from the practical considerations of the ability to supply a non-niche market, you're likely to spread design resources too thinly and lose uniqueness. Allow the brand to become too broad and it'll lose its meaning. Icebreaker's aspiration is not to create the greatest outdoor brand in the world, it's to create the greatest merino outdoor brand. "The moment we step outside merino we'll be eaten," Moon says.

### **Let your people be your eyes and ears**

Because your people live your brand, there's a natural fit between their values and the values of their customers. Icebreaker's sales team is the eyes and ears for ideas about future design needs and opportunities.

### **Be disciplined in the scope of your design**

Moon says Icebreaker could design a fabulous synthetic jacket, but at the cost of becoming just another outdoor brand and losing its merino-based uniqueness. The Icebreaker design team always asks: will a new design step add excitement or confusion?

## **The design dividend**

### **Expansion to more than 1,000 stores internationally through constant design innovation and close relationships with partners right along the supply chain - from merino growers to retailers.**

Icebreaker is the world's leading brand in the merino outdoor clothing category. The brand is now sold in more than 2000 stores in 24 countries.

Ongoing design innovation and close relationships with partners right along the supply chain means the brand is actively sought by distributors. This, in turn, creates strong presence at the point of sale and makes Icebreaker an anchor brand for many retailers. Most significantly, it has positioned Icebreaker at the top in the global outdoor apparel market. Merino clothing is the first major clothing innovation in that market in more than a decade.

The brand's story is integrated and consistent, from sheep's backs in the high country to the clothes rack in an increasing number of locations internationally. Achieving the design dividend, though, requires both constant change and constant constancy.

Change, because most of what Icebreaker creates is not patentable and can be mimicked over time by competitors. Constancy because, as the originator of the category and with a powerfully conceived and executed story, Icebreaker has a series of core brand and product values that will never yield to fashion.

## **The Insights**

### **Know what you're good at**

Finite resources are a reality for any business. Moon says it's critical to decide where resources are best applied. Icebreaker, for example, will never own a factory. Their competitive advantage is built on New Zealand design and New Zealand merino. Icebreaker garments are manufactured in New Zealand, Australia, Asia and Europe to give the capacity and scalability to meet customers' needs. Where the fabric or product is made is not part of the Icebreaker story.

### **Integrate your design with your production, no matter where it occurs**

Icebreaker's product designs are now communicated to mills digitally, which means garments can be made by a number of mills worldwide at short notice, limiting the chance of capacity constraints.

### **Being niche is not about being small**

Moon says he used to think that being niche was about staying small. "Now I know it means staying focused and being the best you can in a tightly defined playing field."

### **Seek exclusivity**

Icebreaker chooses to be stocked in only 72 of 250 outdoor and snowsports stores in New Zealand. For those 72 stores it's a point of difference that brings them customer traffic that their competitors do not get - and ensures Icebreaker has significant store presence.

Make your inputs as much a story as your outputs

The Icebreaker supply chain starts with 60 hand-picked high country merino stations covering two million acres which supplies over 500,000kg of pure merino every year. That forms a major part of the Icebreaker story and the way the company designs its messages.

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