

Evangelist in sheep's clothing

Entrepreneurship

The founder of New Zealand's Icebreaker outdoor-activity clothing company wants to take it to a global audience, writes Anna Fifield

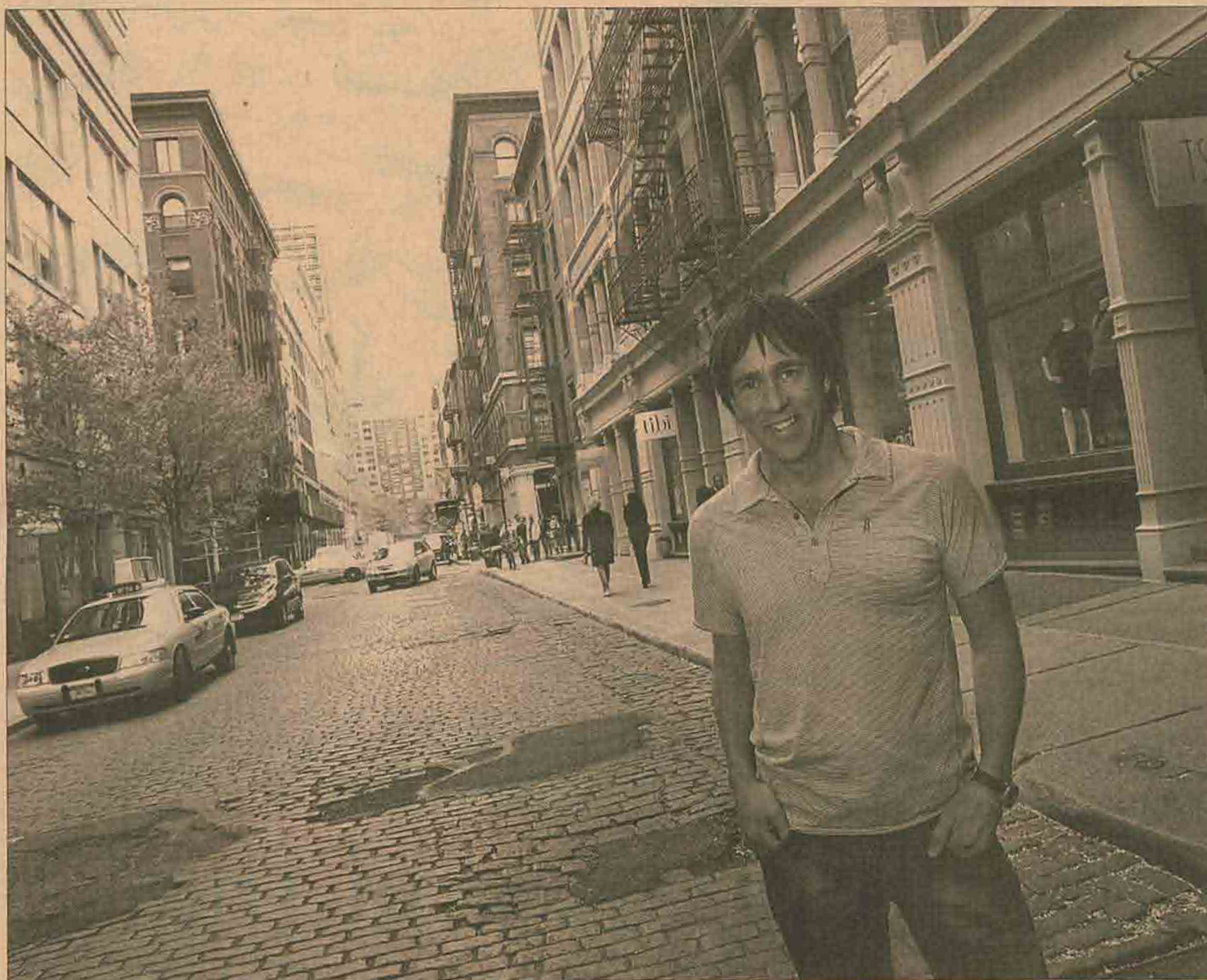
Jeremy Moon has been pounding the cobbled streets of SoHo, looking for the perfect site for his first Manhattan store – or “touch lab”, as he calls it.

He wants shoppers to come in and feel his product. “It’s wool, so people expect it to be the enemy, to be itchy. But when they touch it, they discover it’s like silk,” says Mr Moon, a laid-back, shaggy-haired New Zealander who is now taking his Icebreaker brand of merino wool outdoor-activity clothing on an ambitious global expansion.

He hopes to open as many as 50 stores internationally in the next five years, starting with New York in September.

Mr Moon believes that he just needs to work out how to get even a fraction of the 50,000 people who shop on SoHo’s Spring and Prince Street shopping thoroughfares each weekend to come in to a shop and feel Icebreaker’s superfine wool products – from underwear and socks to shirts and jackets.

“One-fifth of those people could be an Icebreaker customer and, if we sell to 5 per cent of them, well that’s a great business,” Mr Moon says as he



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walks the streets of SoHo trying to get a sense of the place. According to the company’s research, people who buy one item of Icebreaker clothing tend to buy five to seven more items.

SoHo is a long way from the mountains of New Zealand, where Icebreaker clothing was first developed as a light but warm and waterproof garment for hiking.

Although the company supplies 3,000 shops in 30 countries – with 80 per cent of its NZ\$140m (\$94m, €77m £65m) sales in the northern hemisphere – it has only three branded stores: in Auckland, Montreal and Portland, Oregon.

The 40-year-old Mr Moon has some help navigating the retail maze of SoHo, which his team of marketing and retail advisers has advised him is the preferred shopping ground of New York’s trendy “early adopter” consumers.

His biggest challenge will be to translate Icebreaker’s message – it prides itself on being natural and sustainable, and is rooted in New Zealand’s pristine environment – to an international audience.

“Our core strength is our ability to tell our story about where Icebreaker comes from,” he says. “It’s born in the mountains and worn in the mountains. The importance of retail [compared with wholesale] is being able to create a deeper connection with people.”

The Portland store features a huge photo of a sheep next to a man who is on his hands and knees. The message? “Learning from nature.”

Icebreaker clothing is made from merino sheep wool from New Zealand’s Southern Alps, where the big horned animals live high in the mountains year-round, coming down only once in the 12 months for shearing.

Global ambition: Jeremy Moon scouts for store locations in New York (above). He has built a brand using products made from merino sheep wool and featured the animals – and products – in its ads (right)

Pascal Perich



Merinos weather the subzero winters and blistering summers thanks to the ultra-fine diameter of their wool, which insulates in the cold but breathes in the heat.

The wool also has another distinct advantage over artificial fibres: it is largely odour-proof.

Moon’s start-up guide

Do

● Hold onto your brand’s core message

“Having a strong identity from the beginning helps shape the organisation as it evolves.”

● Use retail to create a deeper connection with the customer

“There’s nothing like being able to tell your full story in three dimensions.”

● Hire a specialist team of retail advisers when opening in new markets

“We’ve been successful over the years because when we do something new, we find people who can teach us.”

● Connect with the local community to create local advocates

“It’s all about repeat

business, and people talking to people.”

Don’t

● See wholesale and retail as substitutes – they should be complementary

“If we take the eye off our wholesale business then our cash cow dries up and we can no longer fund our retail expansion.”

● Be afraid to be anti-fashion

“We’re about longevity, not [about being] disposable.”

● Forget that great brands grow through word of mouth

“Our most important question is: ‘Would you recommend Icebreaker to others?’”

Mr Moon first came up with the idea for the company in 1994 when, as a young cultural anthropologist working in market research, he visited a merino station in New Zealand’s South Island.

“It was this expansive place where you can feel the pulse of the mountains and where life is based on kinship with the animals,” he says.

In a rural village, he met a farmer who had made rather unattractive tops from merino wool and sewn a picture of a sheep on them.

In spite of the unappealing look, Mr Moon wore one of the shirts for an entire week – to his surprise, it didn’t reek. He realised he was on to something. “I remortgaged my house – I told the bank I was putting in a new kitchen – and quit my job, then wrote a business plan,” he recalls.

Mr Moon managed to raise NZ\$200,000 in seed capital with the support of a couple of influential local businessmen, who helped with money, mentoring and publicity.

But the biggest endorsement came from a New Zealand hero, the late Sir Peter Blake, the yachtsman, who wore one of Mr Moon’s merino tops for 40 days and nights while sailing in the Southern Ocean.

On his return, he told everyone how fantastic it was. “People didn’t believe me – I was just this 25-year-old who didn’t know a thing about the apparel industry – but they believed him,” Mr Moon says.

Most of the initial capital was invested in design “because I knew that if I didn’t get the design right, it would be just another woollen sweater”, he says.

The company became profitable in 1997, although Mr Moon says they were the kinds of profits “you could drink and still stay sober”.

He has since hired designers and marketing experts from the likes of Nike and Adidas to help increase the brand’s awareness. Icebreaker does not advertise, relying instead on word of mouth.

Mr Moon hopes to double annual sales within three years, through

opening more shops such as the one planned in SoHo as well as online sales.

“This year, we will sell over 2m Icebreaker pieces,” Mr Moon says, half of which are base layers – tops and leggings for skiing and hiking. “That’s a lot of people experiencing us next to their skin.”

Icebreaker now includes a “baacode” in each garment, allowing people to trace the origin of their sweater or hat. More than 100,000 customers have tapped their baacode into Icebreaker’s website to see the farmer who raised the sheep whose wool is now on their back.

In one video, Ray Anderson, a farmer with a beard as bushy as a merino’s coat, tells how his family has run Branch Creek station for more than 100 years.

“Our product is the antithesis of fashion. It’s about simplicity and being natural and being long-lasting, as opposed to high-change fashion,” Mr Moon says.

“We’re 50 per cent more expensive than Patagonia and North Face,” he adds proudly, dismissing synthetic products such as Patagonia’s fleece made from recycled bottles and Under Armour’s artificial base layers as “not very nutritious” – an indirect way of saying they are not made of natural fibres.

Instead, he looks to brands such as the yoga clothing label Lululemon for inspiration. Mr Moon admires the way the Vancouver-based company has created a connection to the community in which its stores are based – linking with local yoga schools, for example – and is about living a lifestyle.

Icebreaker’s success in a country where the mountains are never far away might not be much of a surprise.

But can Mr Moon replicate Icebreaker’s success in cities that do not have such an affinity with the outdoors?

“It’s a hugely powerful trend. As we become more and more urban, our desire for the outdoors grows too and Icebreaker will become more relevant,” he says.