

**Impact Assessment:**

**International Woolmark Prize (IWP)**

## **1.0 Executive Summary**

*The International Woolmark Prize (IWP) remains one of the leading talent incubation projects, crossing borders and cultures to discover, nurture and celebrate outstanding talents who showcase the beauty and versatility of Merino wool. It is the world's most prestigious award for rising fashion stars.*

The IWP was first established in 1953, when it was a significant time for the wool industry: the auction houses in the southern hemisphere were seeing a healthy peak in the price of raw fibre and these fibres were being transformed into beautiful garments by designers in the northern hemisphere<sup>1</sup>. Since then, the prize celebrates outstanding fashion talents from around the globe who showcase the beauty and versatility of Australian Merino wool. The 2022 project was run across an 18-month cycle which involved education, mentorship, networking opportunities, early-stage funding, global wool supply chain access, commercialization, and marketing. From 2023, the project will be re-structured to be run every two years. The prize continues to build and strengthen the reputation of Australian Merino wool as the core of sustainable luxury fashion and reinforces the Woolmark certification of apparel as an indication of quality and sustainability.

## **2.0 Overview**

The purpose of this evaluation is to assess the long-term impact of the IWP as a project that seeks to continue to build demand for Australian wool by strengthening its position in the international market to maximize the investment of Australian woolgrowers and the Australian Government's funds. This evaluation considers two key factors: measuring the impact built through awareness and the net benefit to woolgrowers resulting from the wool sales resulting from the increased usage of merino wool.

This evaluation will assess the impact of the IWP project over the last 10 years and highlight its achievements and brand equity built. Over the last 10 years the project has varied the number of finalists between 12 and 6, reaching the lowest during the 2020-21 event, which was held online due to COVID-19. During the 2021-22 event, the number of finalists was increased to 7 and the logistics were adapted as it went back to being held physically after one year of having been held online.

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<sup>1</sup> <https://www.woolmarkprize.com/news/history-international-woolmark-prize/>

### 3.0 Project logic

The project's KPI's focus on the positioning of the Woolmark brand as well as raising the awareness of the project across key markets and YoY increase in designer applications: all the key project's activities are directly related to increasing the long-term demand of and price of wool. Additionally, by establishing a strong recognition of The Woolmark Company, the project consequently fulfils AWI's main purpose: to increase the profitability of Australian woolgrowers and support sustainability by promoting wool as the versatile, eco-friendly fibre that it is. (Table 1)

Table 1: Project logic

Project Strategy	Key Project Activities	Project outputs	Project outcomes
Execution of Project Strategy	Applications open and designers from across the world are encouraged to apply	Development of Woolmark branded products	Increase awareness of wool, its versatility, and its sustainability attribute.
Execution of campaign content	Social amplification of designer application callout across owned channels	Event to showcase collections	
	Talent scouting the best emerging design talent through IWP global nominating bodies network	Engagement of designer database	Increase in wool production and sales
	Onboarding Advisory Council to review online applications	Engagement of industry leaders	
Industry engagement	Creative development and execution of final event to celebrate the finalist's Merino wool collections	Content creation and social media amplification (by announcement of finalists, judges, final event, and winners)	Promotion of the Woolmark brand
	Onboarding Judges for final event	Utilizing media partners for advertising amplification	
	Talent engagement	Partnerships with leading retailers	

### 4.0 Project Achievements

#### 4.1 Designer applications

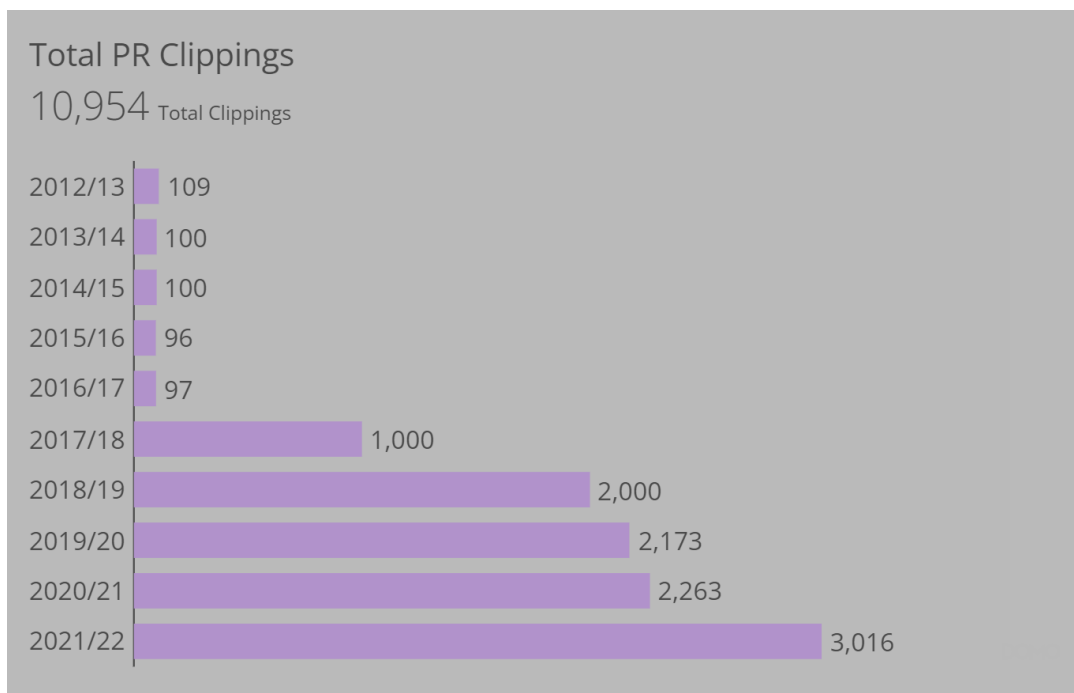
Since its inception, IWP has aimed at increasing the number of designer applications YoY. Data for the number of designer applications for the years 2013 - 2018 is unavailable and for the sake of this impact assessment it is assumed that the number of applications were constant for this period. Since 2018, the number of applications show an average 10% YoY increase reaching its highest during the 2020-21 event, with 380 applications even though the project was held online due to the COVID-19 pandemic and the disruptions caused by it. During the 2021-22 event the number of applications numbers continued to range close to 300 as the event went back to being held physically.

The number of designer applications influences the benefit deriving from the project as it influences the exposure of the project which in result increases the value of the content which also increases the promotion of the usage of wool and the maintenance and building of reputation of The Woolmark Brand.

#### 4.2 Audience engagement

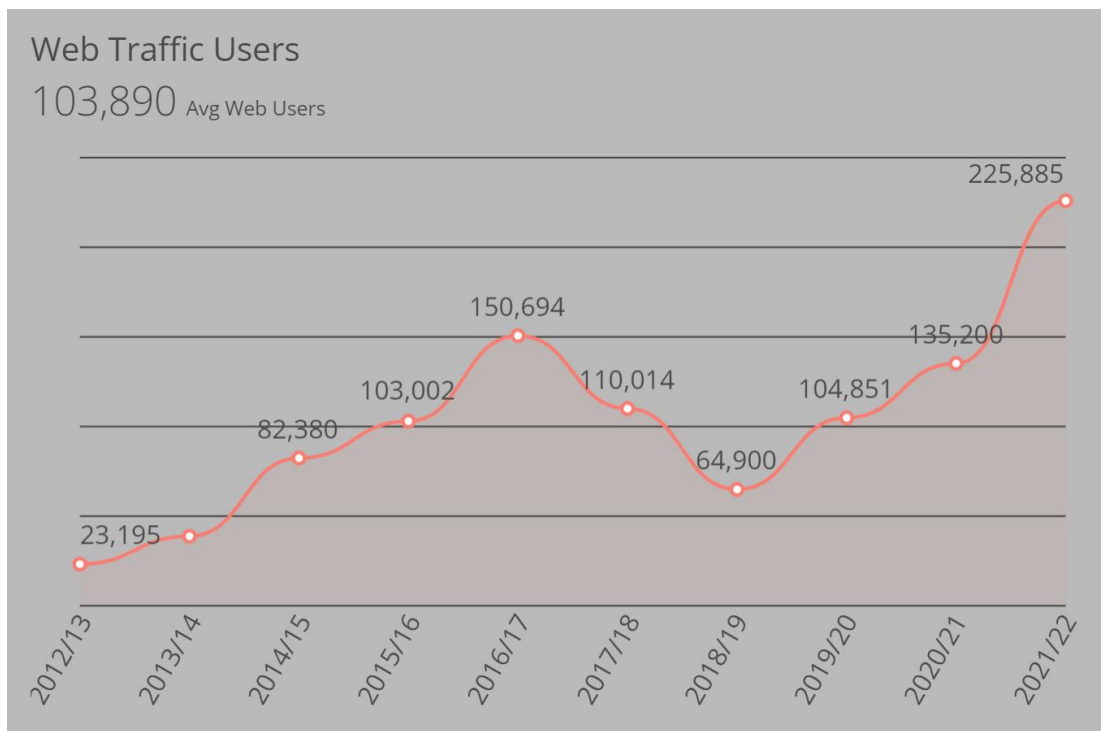
Over the last 10 years the IWP event has been held in UK, US, Italy, China and France. The 2021-22 event was held in London, UK, where designer Saul Nash was the winner of the prize. One of the highlights of the 2021-22 IWP event was the high caliber of the participant designers as well as the experience and knowledge from the members of the Advisory Council and Judging Panel, which contributed towards the event's audience engagement (Figure 1 & 2). High audience engagement helps the project to stand out and creates positive feedback that makes its content more meaningful – it also leads to an increased number of brand partnerships which improve the opportunities for future participants, as well as contributing towards the exposure of the event.

Figure 1: 2013-22 IWP PR Clippings



Source: DOMO: IWP Dashboard

Figure 2: 2013-22 IWP - Web traffic Users



Source: DOMO: IWP Dashboard

#### 4.3 Brand Equity

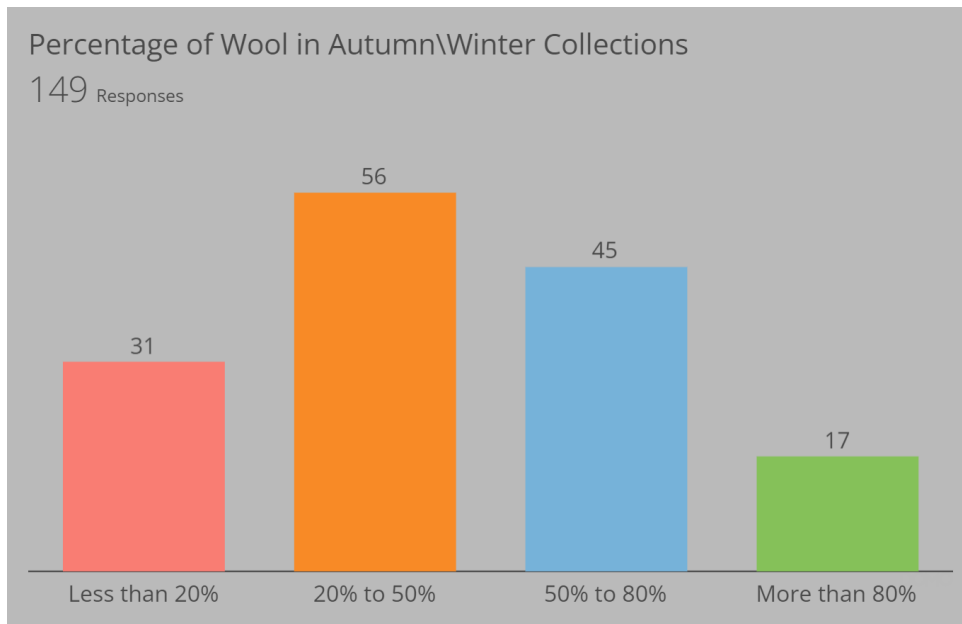
Brand equity represents the value of a brand. By building brand equity for TWC, the IWP project contributes towards a more sustainable future for the wool growers. Throughout the last 10 years, the IWP has seen a high number of alumni turn into globally renowned designers who often advocate in favor of the usage of wool and its versatility. This is one of the key highlights of the project as it continues to harvest benefits after several years, the project's vision to match the talent of emerging designers with the unique features of wool has been paying off since its inception in the 1950s having designers such as Yves Saint Laurent, Christian Dior, Pierre Balmain, Givenchy, Karl Lagerfeld, amongst other, participating in the project both as alumni and juries.

#### 5.0 Survey results

One of the project's aims is to assess how alumni are influenced by their participation in IWP. Over the last 10 years, alumni survey results have shown how participants continue to include wool in their collections after participating in the IWP. (Figure 3 & 4). Results for over 150 alumni show that overall, 33% of the respondents include between 20% to 50% wool into their future autumn/winter collections, and 37% included between 20% and 50% wool into their future spring/summer collections. On average, over the last 10 years, 39% of alumni have included between 3 to 7 extra wool SKUs into their future autumn/winter collections and 29% have included between 3 to 7 extra wool SKUs into their future spring/summer collections, for a total average of 10 new extra wool SKUs per collection,

per participant. Accordingly, it is estimated that IWP participants will sell an average of 1,203<sup>2</sup> extra wool garments per year post IWP; there is an average of 300 participants (including 7 finalists) per IWP event. Based on this assumption, all the participants combined will sell 322,404 wool garments per year post IWP. Also, 83% of alumni have indicated that they would be willing to promote the benefits of wool in their future collections and 79% were willing to promote the eco-benefits of wool. (Figures 3, 4 & 5)

Figure 3: Percentage of wool in Autumn/Winter collections

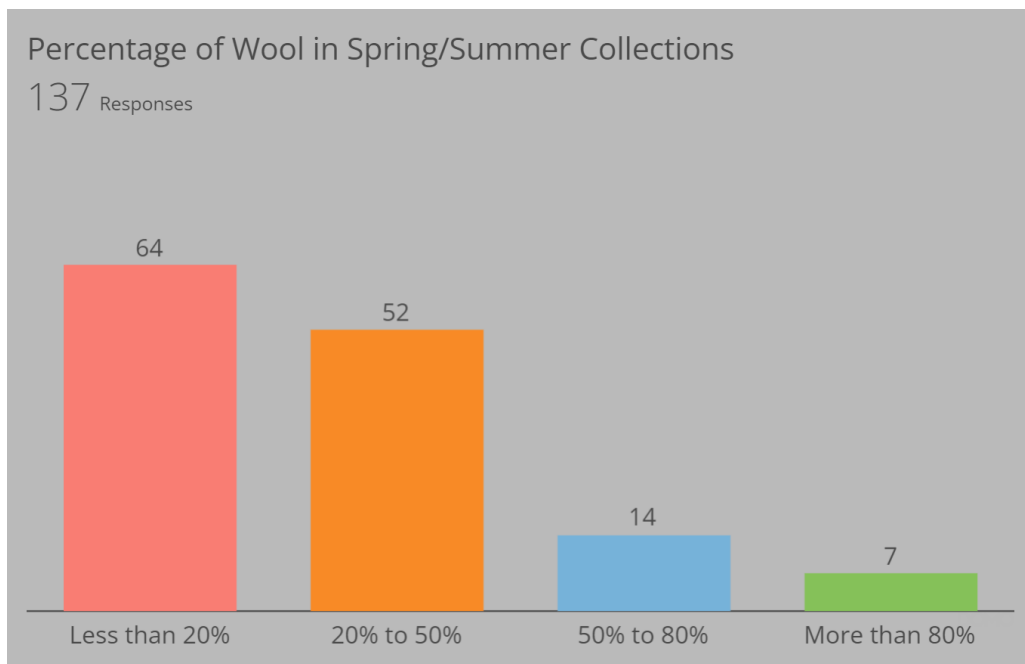


Source: DOMO: IWP Dashboard

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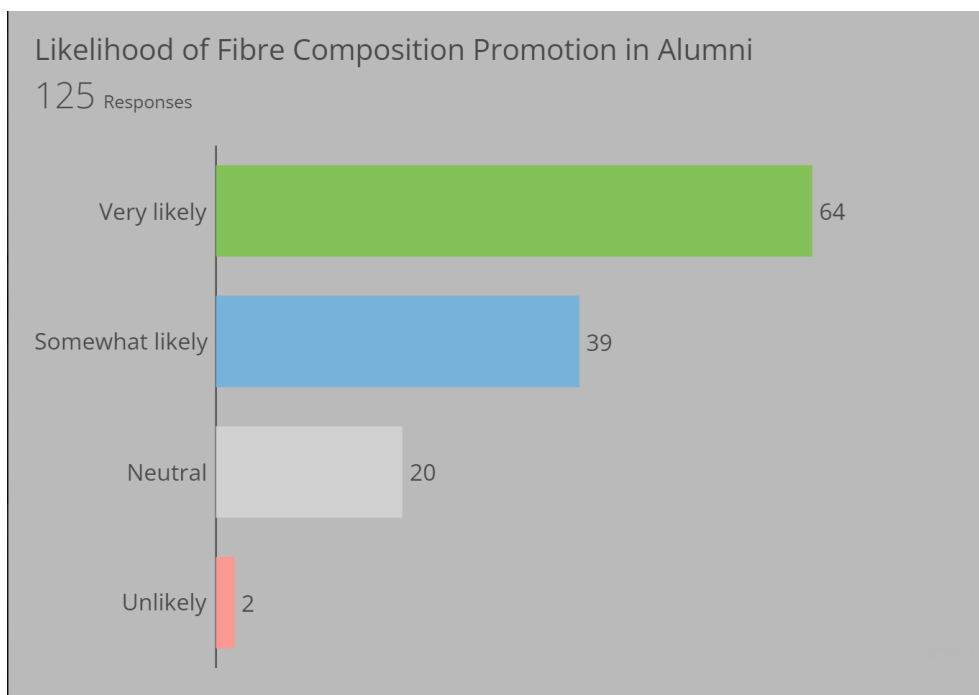
<sup>2</sup> Appendix 1: Calculations

Figure 4: Percentage of wool in Spring/Summer collections



Source: DOMO: IWP Dashboard

Figure 5: Likelihood to promote benefits of wool in future collections



Source: DOMO: IWP Dashboard

Survey results serve as a way to measure and evidence how the IWP project contributes towards TWC brand equity – stronger brand equity for TWC will benefit positively influence the future of Australian wool by:

1. Capturing audience loyalty: IWP contributes to brand equity by building awareness as designers showcase the benefits and versatility of wool.
2. Benefit through organic growth: higher brand equity contributes to consumers recognizing the quality of merino wool and choosing it over other fabrics instead, this is a long-term benefit that will be harvested throughout the years.
3. Pricing wool based on its value, not price: stronger brand equity built by projects such as IWP contribute to a better future for the woolgrowers as consumers will prefer wool to other fabrics. This product differentiation contributes towards Australian wool price being less sensitive to changes in substitutes prices.
4. Increase market share: Australia is already the largest wool exporter in the world<sup>3</sup> and stronger brand equity contributes towards it dominating a bigger share of the global market.
5. Capitalizing on market opportunities: Brand equity built by IWP make TWC more attractive hence, contributing towards more partnership opportunities for future participants and making it more attractive to collaborate and be part of the projects.

## 6.0 Finalists and event locations

Over the last 10 years, there has been 86 finalists in total with Europe and Asia as the most common continent of origin amongst finalists, with 37.2% and 30.2% respectively. (*Table 2: Finalists by continent*) This information has been used in the calculations of the economic benefit generated by the project over the last 10 years by considering the wool demand per country based on the country of origin of the finalists for each year.

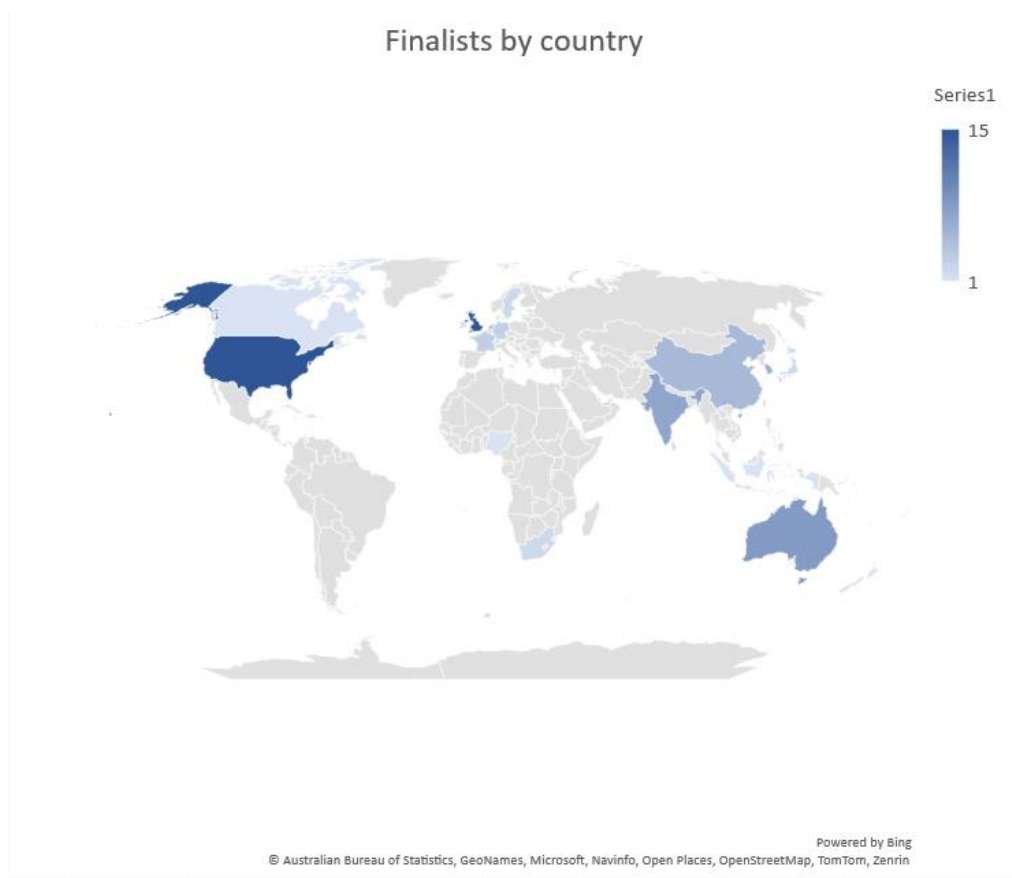
*Table 2: Finalists by continent 2013 - 2022*

Continent	No. of finalists	%
Europe	32	37.2%
America	16	18.6%
Asia	26	30.2%
Oceania	9	10.5%
Africa	3	3.5%
<b>TOTAL</b>	<b>86</b>	

<sup>3</sup> IWTO, Statistics for the global wool production and textile industry, 2023 – Issue 18



Figure 6: Finalists by country



## 7.0 Economic Analysis

This evaluation assesses AWI's IWP marketing project for 2013 -2022. The net benefit of the 2013 - 2022 IWP project is estimated to be \$44,979,379 (Table 3, 4 & 5) over the 10-year period, with a benefit-cost ratio of 2.4. The benefit generated through the project will benefit woolgrowers through increased demand for wool which is likely to be driven by changed purchase behavior, consumer demand and preference for Merino wool as a natural, sustainable fiber as well as through partnerships and new business opportunities that are expected to emerge for AWI, as well as for the finalist designers.

Table 3: Wool demand by country

Wool demand by country						
Year	Italy \$	UK \$	US \$	France \$	China \$	Allocated demand
2013	\$331,200,000	\$393,300,000	\$43,832,250	\$41,400,000	\$3,003,984,000	\$809,732,250
2014	\$342,400,000	\$428,000,000	\$42,800,000	\$32,100,000	\$3,105,568,000	\$845,300,000
2015	\$407,772,960	\$539,728,320	\$46,986,960	\$34,175,760	\$3,984,483,507	\$1,427,112,351
2016	\$360,457,653	\$453,676,107	\$44,539,737	\$35,891,920	\$272,100,000	\$921,775,417
2017	\$370,210,204	\$473,801,476	\$44,775,566	\$34,055,893	\$2,454,050,502	\$1,168,248,189
2018	\$379,480,273	\$489,068,634	\$45,434,087	\$34,707,858	\$2,236,878,003	\$1,172,378,652
2019	\$400,784,000	\$711,392,000	\$59,408,000	\$25,440,000	\$248,121,641	\$1,221,836,164
2020	\$250,800,000	\$342,848,000	\$43,088,000	\$21,584,000	\$200,817,963	\$658,320,000
2021	\$351,422,000	\$523,841,500	\$43,920,500	\$15,413,500	\$259,497,235	\$934,597,500
2022	\$334,335,333	\$526,027,167	\$48,805,500	\$20,812,500	\$236,145,613	\$953,595,061
<b>TOTAL</b>	<b>\$3,528,862,424</b>	<b>\$4,881,683,203</b>	<b>\$463,590,600</b>	<b>\$295,581,431</b>	<b>\$16,001,646,464</b>	<b>\$10,112,895,584</b>

Data sourced from IWTO

Table 4: Estimated BCR per year 2013 - 2022

BCR per year						
Year	% IWP/AWI spend	* Elasticity	Attributed demand	wool	IWP Budget	BCR
2013	5.51	0.0053	\$4,329,393.25		\$2,425,306.00	\$ 1.8
2014	5.18	0.0050	\$4,247,966.73		\$2,590,410.00	\$ 1.6
2015	7.31	0.0071	\$10,116,592.23		\$3,215,563.00	\$ 3.1
2016	6.22	0.0060	\$7,460,162.61		\$2,923,765.00	\$ 2.6
2017	9.08	0.0088	\$11,783,699.64		\$3,904,959.00	\$ 3.0
2018	7.86	0.0076	\$11,092,063.75		\$4,163,647.00	\$ 2.7
2019	7.00	0.0068	\$10,687,319.92		\$4,127,551.00	\$ 2.6
2020	7.32	0.0071	\$6,980,348.15		\$3,222,279.00	\$ 2.2
2021	6.51	0.0063	\$5,902,580.90		\$2,278,839.00	\$ 1.9
2022	6.83	0.0066	\$8,285,277.48		\$3,141,013.00	\$ 2.0

Table 4 shows the estimated BCR for the last 10 years which has been calculated by weighing the wool demand from the countries of origin of the finalist as well as the country where the retail partners were based as collections are most likely to have a higher impact on these locations, at the same time this method aids to accurately measure the true impact of the project and highlights how the results might be linked to the factors named above. Table 2 & Figure 6 show the overall percentage of finalists per continent over the last 10 years; based on this information, the calculations made for this impact assessment have attributed a higher proportion of the impacted wool demand to Europe, Asia and North America.

Over the last 10 years there has been an average of 12 finalists per IWP event. During COVID, the number of finalists decreased to 6 and then 7 during 2022 as the world slowly recovered from the effects of the pandemic. The number of finalists (which is dictated by the project budget and internal resources) is a key measure of the project's success as it contributes towards its exposure and

audience engagement, stronger audience engagement makes the project more attractive for future applicants and increase the partnership opportunities for future participants which results into higher sales and, eventually, in a higher return for the Australian woolgrowers.

The purpose of this evaluation is to estimate the economic impact of the IWP over the last 10 years and to determine how much wool demand can be attributed to the project. According to Malcolm Abbott in his work *A long-term view of the effectiveness of wool promotion schemes*, an increase in promotional expenditure led to a slight increase in demand of 0.097%.<sup>4</sup> Over the past 10 years, AWI's spend on promotional expenditure adds up to around \$465,000,000, of which, IWP's budget (including prize fund) over the past 10 years represents 6.88% (\$31,993,332). Given that most of the events have been held in UK, France, Italy, China, and US, and that most of the retailers that have partnered with the winners and finalists are established in Europe and US, this evaluation has considered the wool demand of these countries for the period 2013 – 2022. (Table 2: Wool demand by continent) Figure 7 shows a condensed and simplified view of the export pathways of Australian wool as it progresses throughout the international supply chain. Each vertical node represents a stage of transformation of wool and each horizontal link proportionally represents a movement of wool to the next stage of production. This graphic supports the approach taken on this impact assessment to use raw wool demand as a key measure as 90 – 95% of Australian wool is exported as raw wool and transformed into other products in other countries<sup>5</sup>.

Accordingly, it has been estimated that throughout the last 10 years, the benefit cost ratio of the IWP project is 2.41 which means that for every \$1 invested by AWI there has been a \$2.41 return on investment.

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<sup>4</sup> Malcolm Abbott (2015) A long-term view of the effectiveness of wool promotion schemes, *Agrekon*, 54:3, 87-106, DOI: 10.1080/03031853.2015.1085229. <https://doi.org/10.1080/03031853.2015.1085229>

<sup>5</sup> IWTO, Statistics for the global wool production and textile industry, 2023 – Issue 18



finalists, mentorship for finalists through the Innovation Academy and amplification of key announcements.

### *7.2 Forecasting units sold*

From 2013 to 2022 the units sold during the IWP project have increased by 4,008% <sup>6</sup> due to the improved marketing strategy, and an increased IWP audience. These numbers account for wool sales for a particular collection only through retailers partnered for a certain period, while the numbers after the project tend to greatly increase from the initial sales. During the 2014/15 project, there were 12 who responded that they sold 300 units from their IWP collection. They were later interviewed after the project completion to get more insights into their sales. These finalists estimated that they would sell 192 units per garment post IWP involvement. These results serve as a basis for the assumption of the IWP finalists will expect to increase their sales by approximately 640% one year post-IWP.<sup>7</sup>

## **8.0 Conclusions**

Despite the ongoing challenges brought about by the COVID-19 pandemic, IWP remains one of the most recognized awards for emerging design talents. A significant number of nowadays' famous designers are known to have participated in the IWP at some stage. It provides designers with a platform to showcase their talent by innovating with the usage of wool. Since 2019-20 and 2020-21, the 2021-22 IWP achieved a higher audience engagement rate, PR clippings as well as an increase in the number of applicants.

As the fashion industry continues to evolve and designers move towards the usage of sustainable fabric for their garments, projects like the IWP become more and more important as they assist to position Australian merino wool as a versatile and sustainable alternative as well as building brand equity for The Woolmark Company Brand.

## **9.0 Success Stories**

### *9.1 Edward Crutchley*

Edward Crutchley is the British double-winner of the 2019 International Woolmark Prize, taking home both: the main prize, and the Innovation Award. Crutchley's IWP hero look, which won him the Innovation Award, featured a lightweight 100% wool weave, hand-printed and treated by a master of screen-printing in Kyoto.

Before winning the International Woolmark Prize, Crutchley had distinguished himself in the fashion industry with a strong emphasis on sustainably sourced, artisanal textiles and silhouettes. Crutchley applied his textile knowledge in numerous high-profile positions such as textile consultant for Kanye West, lecturer at the Royal College of Art, and Creative Consultant for Louis Vuitton between the period 2010-2018. Using his innate knowledge of artisanal textile techniques, Crutchley also launched

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<sup>6</sup> IWP 2022 report

<sup>7</sup> Calculated

his eponymous label in 2015, retailing his collection on the likes of Farefetch, Matches Fashion, and Browns.

Crutchley's IWP 2019 win launched him onto the international stage and solidified his name as a leading fashion innovator and designer. Following his win, Crutchley was appointed Director of Fabric, Graphics and Soft Accessories for Mens at Dior. Recently in January 2022, Crutchley also began consulting at Fendi working on Couture design, fabric direction, and development.

Crutchley's relationship with Australian wool post-IWP2019 has influenced his fabric choices across his label and two of the world's largest luxury fashion houses. This is reflected in his recent 2022-2023 IWP alumni survey answers, whereby he stated:

- 20%-50% of garments in his latest Autumn/ Winter and Spring/ Summer collections contained wool.
- He sells over 100 units of wool garments annually.
- On average, he has included 3 to 7 extra wool garments in his new Autumn/ Winter and Spring/Summer collections compared to his previous Autumn/ Winter and Spring/ Summer collections.
- He is very likely to communicate fibre benefits within his marketing, noted that it was "a key part of his story telling."
- He is very likely to communicate the eco-benefits of wool within marketing.

Examples of Crutchley's continued dedication to wool can be seen in Dior's' recent Mens Spring 2023 collection, whereby wool is used in over 50% of garments. Crutchley continues to be involved with The Woolmark Company, participating as the first guest curator of The Wool Lab in 2022, consulting on the production of a wool trend book. His association with The Woolmark Company and the International Woolmark Prize also continues to generate media attention. Between the period December 2018 - February 2023, Crutchley has been mentioned in relation to The Woolmark Company and IWP in 729 digital articles, equating to a total reach of 4,023,009,153 and an Estimated media value of \$3,844,853.89. Between the periods of June 2021 and July 2018, Edward also posted more than 80 Instagram posts and stories tagging and/or mentioning The Woolmark Company.

## *9.2 Dion Lee*

Dion Lee was an Australian finalist in the 2013 International Woolmark Prize. Although Dion did not win the prize, his relationship with The Woolmark Company has continued over the years, fostering continued media coverage from 670 digital articles with an estimated earned media value of \$5,041,416.87.

Dion Lee created his eponymous Australian-based label in 2009, which has since then become renowned for experimental construction combined with traditional tailoring. The brand's applied innovation has pioneered a modern identity for Australian fashion. Following his selection as an IWP finalist in 2013, Cue Clothing Co. acquired a shareholding stake in Dion Lee as part of a strategic partnership to develop and accelerate the brand's domestic and international growth. Since then, Dion

Lee has opened nine stores with collections sold globally in over 40 of the world's most exclusive retailers including Net-A-Porter, Bergdorf Goodman, Selfridges, and Lane Crawford.

Lee's relationship with The Woolmark Company and wool has continued over the years. Lee has continued to use wool across his collections, most notably in his iconic basics and structured/tailored pieces. In September 2016, Dion Lee launched a 10-piece tailoring collection - 'SUIT', in partnership with The Woolmark Company. This collection intended to cater to a poorly supplied demand for intelligent women's tailoring. All pieces within the collection were made from Australian Merino wool and manufactured in Australia and Italy. The Woolmark Company was instrumental in the manufacturing process, assisting with sourcing and supply chain introductions to set the Dion Lee brand up for long term Merino wool use. The collection was sold exclusively via Net-a-Porter and Dion Lee's website.

Dion Lee has most recent partnered with Australian brand, Hayden shapes, and The Woolmark Company to produce a Merino wool-lined wetsuit, which will be launching in June 2023. The Woolmark Company will be working closely with Hayden shapes and Dion Lee to launch the first-of-its-kind take on the modern wetsuit to both a trade and consumer audience.

### 9.3 Rahul Mishra

Rahul Mishra was the first winner of the International Woolmark Prize to come from Indian heritage. Mishra's 2014 winning collection displayed innovative graphic hand embroidery featuring Merino wool yarn on jackets, dresses, and pants, with graphic designs stemming from an eight-petal lotus. Mishra's IWP collection was heavily inspired by his Indian heritage, incorporating Chanderi fabric woven with 85% Merino wool and embroidery by craftsmen in Kolkata, evoking a truly unique interpretation of the design brief, *"For the Woolmark Prize, I knew I had to do something that no one had done before. And so, I made wool into a summer fabric, something that can be worn even in 50 degrees."* – Rahul Mishra.

After winning the International Woolmark Prize, Mishra was the first Indian designer to be invited to showcase at the Haute Couture Week in Paris 2020, catalysing India's penetration into the world of high fashion, *"I feel like this is a dream and this is giving me new hopes for my future career. This award will change the perception of global fashion regarding Indian fashion, and this is all because of wool – an amazing fibre, the fibre of possibilities."* – Rahul Mishra.

After showing at Couture week in Paris, Mishra's eponymous label began gaining international recognition for its embellished designs and superior embroidery techniques. To produce his delicate garments, Mishra invested in the slow process of hand-weaving and hand embroidery, allowing him to build sustainable livelihoods for thousands of artisans by employing them to bestow ancient textile traditions on contemporary designs. Mishra's heritage and international recognition have granted him celebrity status in India, he is said to be one of the top 20 designers in India.<sup>8</sup>

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<sup>8</sup> <https://shilpaahuja.com/20-top-fashion-designers-india/>

Mishra's influence has also increased awareness of The Woolmark Company with over 2,702 digital articles, with an estimated media value of \$11,650,433.18, published since 2014, relating to Mishra's IWP win and general relationship with Woolmark.

#### *9.4 Thebe Magugu*

Thebetsile "Thebe" Magugu is a South African fashion designer who rose to prominence as a finalist in the 2021 International Woolmark Prize and winner of the 2019 LVMH Young Fashion Designer Prize. Since participating in the International Woolmark Prize, Magugu, through his eponymous label, has continued to use wool throughout his collections.

Since his involvement in the prize, Magugu has partnered with the likes of Dior, Valentino and Adidas. In May 2022, major celebrity Rihanna wore Magugu's White Wool Knitted Dress from his IWP collection collection in an Instagram post to her 145 million followers. Further signifying Magugu's international recognition, his Spring 2023 collection '*Discard Theory*', debuted at the Victoria and Albert Museum in October 2022 as part of London Fashion Week.

Magugu's association with The Woolmark Company and participation in the IWP 2021 has continued to generate media coverage, with a total of 608 digital articles with an estimated media value of \$6,829,808.88, published on the topic since 2021.



## **10.0 References**

IWTO, Statistics for the global wool production and textile industry, 2023 – Issue 18

Malcolm Abbott (2015) A long-term view of the effectiveness of wool promotion schemes, *Agrekon*, 54:3, 87-106, DOI: 10.1080/03031853.2015.1085229

Project Completion Reports: International Woolmark Prize