


Part A
Understanding
Fashion Marketing

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Chapter One

An Introduction to Fashion Marketing

The global market for apparel, accessories and luxury goods was estimated to be worth US\$1217 billion in 2006 and is expected to grow to approximately US\$1800 billion by 2011. The company with the largest market share of this vast market is Christian Dior and, despite this great success, the company has approximately 1% of the global market. Global fashion remains one of the largest sectors of world trade that is truly competitive: 1.14 million people were employed in apparel manufacture in the European Union (EU) in 2004 and nearly one-third of all imported clothing bought in the EU in 2007 was manufactured in China. The UK fashion industry is estimated to be worth approximately £22 billion in retail sales value in 2008. Apparel manufacturing industry in the UK employed around 83 000 people in 2006, down from over 200 000 a decade earlier. The above statistics reveal that fashion is a large global business sector going through a period of great change. It is the application of marketing that plays a crucial role in managing this growth and change. This book shows how marketing can be applied to fashion products and services.

This introduction looks at both fashion and marketing and how design and marketing work together in practice. An overview of the fashion marketing process covers the role of marketing in the fashion industry and the ethical issues raised by marketing in this context, with some practical examples of the work of fashion marketers.

1.1 What is fashion?

1.1.1 Fashion is to do with change

Fashion essentially involves change, defined as a succession of short-term trends or fads. From this standpoint there can be fashions in

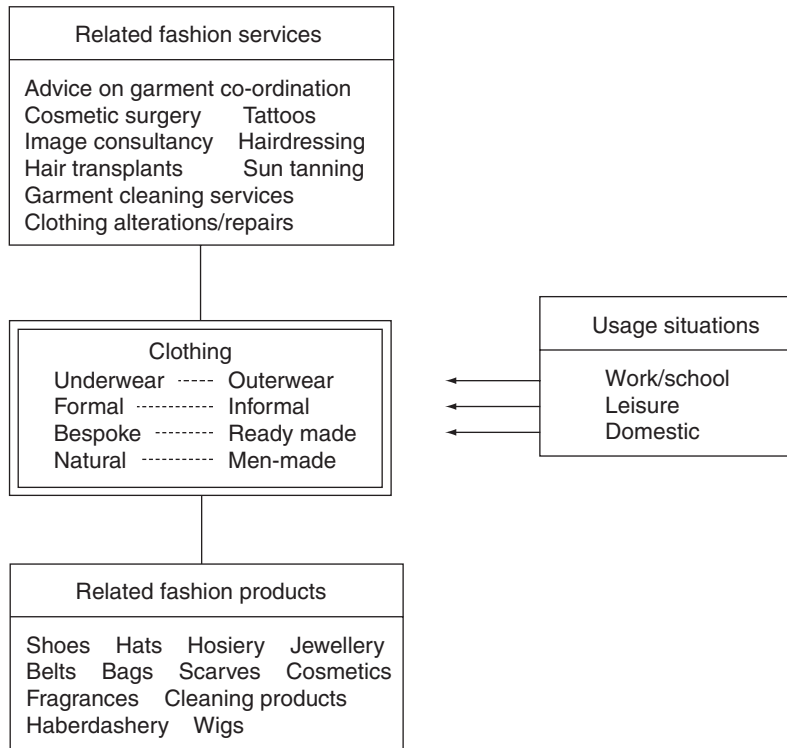


Figure 1.1 Fashion products and services.

almost any human activity from medical treatments to popular music. For the purpose of this book though, the concept of fashion will be taken to deal with the garments and related products and services as shown in Figure 1.1.

Figure 1.1 identifies some major categories of clothing along with their main usage situations, but this list is by no means exhaustive. Fashion marketers should take a broad view of their domain – fashion is not only about clothes.

The competitive ethos of the fashion industry revolves around seasonality. The industry has a vested interest in developing new products for the customer at the expense of existing items: this process is known as planned obsolescence. Planned obsolescence is not confined to the fashion industry, it occurs in several other manufacturing sectors such as the electronics or automobile industries. While the concept of planned obsolescence can be criticized from several perspectives, many customers appreciate the continual change in fashion products and services. Unfortunately, the rate and direction

of change are usually slower and less predictable than the fashion industry would like.

1.1.2 Fashion is about creating

In order for the change which is intrinsic to fashion to take place, the industry must continually create new products. Used in another sense, the term fashion means to construct, mould or make. Fashion, therefore, also involves a strong creative and design component. Design skill is essential and can be seen in all products from the made-to-measure suit to the elaborate embroidery on a cardigan. The level of design can vary considerably from a basic item such as a T-shirt to the artistic creations of Coco Chanel, Christian Dior, Yves St Laurent or, in more recent times, Stella McCartney. To some the design of fashion garments can be viewed as an art in its own right, though this is a notion supported more in countries such as France and Italy than in Britain. The majority of garments sold do not come into this category, but the inspiration for the design of many of those garments may have come from works of art.

1.1.3 Fashion and marketing

The continual change, i.e. fashion, involves the exercise of creative design skills which result in products that range from the basic to the rare and elaborate. The creative design personnel provide part of the mechanism by which the industry responds to the need for change. At the same time the ability to identify products that the customer needs and will buy is also essential to the industry. Marketing can help to provide this additional knowledge and the skills needed to ensure that the creative component is used to best advantage, allowing businesses to succeed and grow.

1.2 What is marketing?

Marketing is a business philosophy or way of thinking about the firm from the perspective of the customer or the potential customer. Such a view has much merit as it focuses on the acid test for all business – if we do not meet the needs of our customers we will not survive, let alone thrive. Fashion firms depend upon customers making repeat purchases and the key to such loyalty is the satisfaction of customers' needs with garments which are stylish, durable, easy to care for, comfortable, perceived value for money and all the other criteria deemed

relevant by the buyer. For this reason, fashion design personnel should readily appreciate the need to understand the customer's perspective. Most designers have a mental picture of a typical customer. Fashion marketers ask, how typical is that mental picture and does the 'customer' belong to a group of buyers that form a profitable prospect for the company? Notice that the notion of seeing the business from the perspective of the customer does not preclude concern for profit. Indeed, if profit is not actively sought then the firm's ability to meet customers' needs in the long term will be greatly diminished.

Marketing comprises a range of techniques and activities, some of which are highly familiar to the general public. Most people have encountered market researchers and all have seen advertisements. Other less public aspects include product development and branding, pricing, publicity, sales promotion, selling, forecasting and distribution. An overview of the range of fashion marketing activities is given later in this chapter.

Marketing is a management process concerned with anticipating, identifying and satisfying customer needs in order to meet the long-term goals of the organization. Whilst concerned with the organization's relationship with customers it is also concerned with internal organizational factors that affect the achievement of marketing goals.

1.2.1 Is marketing a solution to all business problems?

There are many views of what marketing is and what it does. To the zealots, marketing is the panacea for all business problems and can provide remedies for product failures or falling profits. Clearly, this is naive and does not recognize the interdependence of the many business and creative functions within organizations. Nor does this view fully appreciate the wider marketing environment that confronts all firms when they embark upon marketing activities.

The best marketing plans and activities can be easily and quickly undermined by changes in the economy or in competitors' actions. Such changes cannot always be anticipated, although a framework for monitoring and anticipating change is discussed in Chapter Two. In the fashion industry, which is highly competitive and is characterized by change, the role of good fortune cannot be easily discounted. The fashion industry is well known for the high failure rate of new businesses and the regular price reductions on product lines that have not sold. Such failures are in part a reflection of the enormous risk of fashion, but some are also due to the inadequate or inappropriate application of the marketing process. It is the contention of the authors that, when properly applied, marketing will help to reduce

some uncertainty in the fashion industry and cut down the number of business failures.

1.3 What is fashion marketing?

Fashion marketing is the application of a range of techniques and a business philosophy that centres upon the customer and potential customer of clothing and related products and services in order to meet the long-term goals of the organization. It is a major argument of this book that fashion marketing is different from many other areas of marketing. The very nature of fashion, where change is intrinsic, gives different emphasis to marketing activities. Furthermore, the role of design in both leading and reflecting consumer demand results in a variety of approaches to fashion marketing which are explored below.

1.4 Fashion marketing in practice

Within the fashion industry there is enormous variation in the size and structure of businesses serving the needs of customers. From a small business comprising a self-employed knitwear designer to major multinational corporations such as Liz Claiborne or Zara, diversity remains a key feature. With legislative changes and expansion of the EU, the gradual removal of trade barriers on a global scale and the growth of the Internet, the fashion industry is increasingly a global business. This implies considerable variation in the cultural, social and economic perspective of the participants. The consequence of these variations in size, experience and perspective is that the practice of fashion marketing is not uniform at a national level, let alone at an international one.

At the centre of the debate over the role of fashion marketing within firms resides a tension between design and marketing imperatives. Relatively few fashion designers have had formal training in business or marketing, although fortunately this situation is changing in the EU. Similarly, the formal training of marketing personnel can often lack an appreciation of the role of design in business. Training has tended to be separate and this, when coupled with the differing approaches of the two areas, causes divergent views. Design students were traditionally taught to approach problems as though there were no constraints on time or cost so that creativity might flourish. The assumption of much of this training was that creativity flourishes when there is freedom from structural factors.

Spontaneity, eclecticism and the willingness to take risks in challenging the *status quo* are some values central to traditional design training.

Marketing training, by contrast, embraces different values. Marketers are taught to be systematic and analytical in approaching problems. The foundation of a lot of marketing involves the setting of objectives and quantifying inputs and outputs, such as advertising expenditure and market share. Success, marketing students are taught, comes from careful research and planning, not spontaneity or ignoring market realities such as competitor price levels. Owing to a lack of training, marketing personnel often fail to understand the aesthetic dimension of a design or many qualitative aspects of product development.

The above outlines concentrate on differences in perspective between marketing and design personnel but naturally there are areas where they share common values. Good designers and marketing personnel both recognize the need for thorough preparation and the exercise of professional skill, both understand the importance of communication, although with differing emphasis on the visual and process components, and both tend to be in agreement about the functional aspects of clothing, such as whether a garment is waterproof or machine washable.

Starkly put, the designer may see the marketing person as one who constrains freedom and imagination, while the marketer may see the designer as undisciplined and oblivious to costs and profitability. Such views are stereotypes fostered by differing experiences and training, and which are often held by those who do not understand the perspective of both the marketer and the designer. This difference in perspective engenders a range of views about what fashion marketing ought to be. Two views of fashion marketing are shown in Figure 1.2. These views can be labelled design centred and marketing centred, and are detailed below.

Sample statements	Fashion marketing is the same as promotion	Design should be based solely on marketing research
Assumption	Sell what we can make	Make what we can sell
Orientation	Design centred	Marketing centred
Alleged drawbacks	High failure rates Relies on intuition	Bland designs Stifles creativity

Figure 1.2 Two views of fashion marketing.

1.4.1 Design centred: fashion marketing as promotion

According to this view marketing is seen as synonymous with promotion. Adherents of the view state that designers are the real force, and marketers should merely help to sell ideas to the public. Translated into practice this view tends to have all marketing activity carried out by either public relations or advertising departments or agencies. Customers and potential customers are seen as people to be led or inspired by creative styling that is favourably promoted. At the extreme, it is rationalized that the only people who can appreciate creative styling, in a financial sense, are the more wealthy sections of society.

Research within such a perspective is limited to monitoring the activities of others who are thought to be at the forefront of creative change, i.e. film directors, musicians, artists, etc. Many great fashion designers subscribe to this view and have run successful businesses based upon the above assumptions. The principal weakness of this approach is that it depends ultimately on the skill and intuition of the designer in consistently meeting genuine customer needs and consequently earning profit.

1.4.2 Marketing centred: design as a research prescription

Here marketing is dominant and it regards the designer as someone who must respond to the specifications of customer requirements as established by marketing research. Detailed cost constraints may be imposed and sample garments pretested by, for example, retail selectors who may subsequently demand changes to meet their precise needs. Several major retail stores still operate systems not too far removed from this, with merchandisers and selectors exerting considerable control over the designer. The result, according to many, is a certain blandness in the design content of garments available from such retail outlets.

It is argued that marketing constraints have strangled the creative aspects of design. Taking profitability as a measure of popularity, this restrictive prescription for design seems to work for many firms. Whether popular acceptance of fashion designs equates with good design is another matter.

1.4.3 The fashion marketing concept

There is another way to view the relationship between marketing and design, and this is termed the fashion marketing concept. That good fashion design only requires sufficient promotion to succeed is a view

Concern for fashion design	High	Design centred	Fashion marketing concept
	Low	Failure	Marketing centred
		Low	High
		Concern for customers and profit	

Figure 1.3 The fashion marketing concept.

applicable to a very limited number of businesses – usually those producing expensive garments for an elite market. The alternative view of fashion design as a function of marketing research fails to recognize either that many people do not know what they will like until presented with choices, or that their preferences change over time. For example, many who profess to hate a design seen on the catwalk may later come to like it when they try the garment themselves or realize that others have signalled acceptance. Good fashion design can challenge conventional views. It should be recognized that consumers vary in the conservatism they have towards fashion styles and also the speed and readiness with which they change their opinions.

A simple model of the interrelationship of fashion design and marketing can be seen above.

In the matrix in Figure 1.3 it can be seen that low concern for customers, profit and design leads to failure. This occurs as a consequence of overestimating design ability while disregarding customers' preferences and the need for profit.

The fashion marketing concept attempts to embrace the positive aspects of high concern for design, customers and profit by recognizing the interdependence of marketing and design. If designers understand how marketing can enhance the creative process and marketing personnel appreciate that within the fashion industry design can lead as well as respond to customer requirements, progress can be made. Market researchers can establish the sizing information customers want on garments and can also analyse reactions to several provisional illustrations, but they cannot produce detailed styling specifications. Marketing as applied to the fashion industry must appreciate the role of design. Some major retailers such as Zara have developed information systems bringing designers, manufacturing teams and retail sales staff much closer together enabling customers to be

offered fast fashion at affordable prices and achieving good levels of profit for the company.

This section has discussed a number of approaches to fashion marketing. Many companies have embraced the fashion marketing concept and have demonstrated equal concern for design, customers and profits. In recent years an increasing number of winners of major fashion awards have also achieved success not only in terms of design but also in terms of sales and profit. Thus the fashion marketing concept is not just a theoretical model, it does work in practice and this book sets out to develop it further.

1.5 How fashion marketing can help the fashion industry

The vast output and profits from the fashion industry come not from the designer collections seen on the catwalk but from items sold in high street stores. To put the impact of designers in perspective, one only has to note that the British Fashion Awards' Designer of the Year will often have annual earnings that amount to less than a day's sales for one large retailer in the Arcadia group. Even so, the designer collections are given extensive coverage in the fashion press where each season more than 250 collections are reviewed within a matter of weeks. Reporting and promotion of these collections are suffused within hyperbole, excitement and genuine enthusiasm by many who attend, the catwalk exhibitions being viewed with a range of perceptions from incredulity to sheer entertainment. However, few people see the direct link that some less experienced commentators assert exists between the garments on the catwalk and 'what we will all be wearing next season'. The influence of the designer collections on everyday apparel purchases is complex and will be considered in later chapters on the fashion consumer, product design and fashion promotion.

The main concern of fashion marketers is therefore the design and sale of garments to the majority of the public, for that reason, the techniques described in this book will concentrate on high street fashion rather than haute couture.

Many people in the fashion industry have aspirations to run their own business. Indeed, the industry is characterized by many small firms and regrettably many failures. This book embraces the fashion marketing needs of people starting their own business; it does not, however, extend to all the needs of small businesses, particularly the financial and legal aspects of new ventures. For the new entrepreneur the chapter on marketing research will provide a sound basis on

which to start building a business plan. The marketing component of the business plan is covered in the last chapter of this book.

Medium and large businesses are also catered for. The need for co-operation and communication between the various levels of distribution in this sector is so important that manufacturer, wholesaler, importer and exporter will all benefit from understanding the structural aspects of the marketing of clothing and related products and services. Many of the principles and techniques described in detail as applicable to the UK are transferable to other markets. For example, UK mass media data are given in the chapter on fashion promotion, but criteria for designing campaigns and selecting media are also given; these criteria are readily transferable.

1.6 What fashion marketers do: five examples

To give an overview of the sort of activities that fashion marketing personnel engage in, five examples will be given. A key point to note is that job titles do not always accurately reflect what people do. In fact, few people are called fashion marketing managers, but many carry out functions that are fashion marketing, e.g. those with job titles such as selector, merchandiser, sales executive or public relations consultant.

1.6.1 Fashion marketing research

A fashion marketing researcher may investigate the market shares of competitors and trends in those shares. Through a group discussion with potential consumers they may discover that a possible brand name has negative connotations and needs rethinking.

1.6.2 Fashion product management

A design manager may be concerned with producing a range of shirts for a major retailer. The shirts must co-ordinate with other garments such as jackets, trousers and ties, all of which may be provided by other manufacturers. The design manager must collect and pass on information to ensure that designers are adequately briefed. Later the manager will be required to sell the designs at a presentation to the retailer, usually in the face of fierce competition. The design manager's knowledge of the retailer's customers and an awareness of his or her own company costs will enable an effective marketing function.

1.6.3 Fashion promotion

A manufacturer of corporate workwear may have produced a range of clothes suitable for staff working in small independent restaurants. After careful research and planning the manufacturer may decide that a brochure is needed as part of the promotional effort. The brief to be given to the person preparing visual and textual material for the brochure will include an estimate of the number of brochures needed and a list of addresses – essential fashion marketing tasks.

1.6.4 Fashion distribution

An owner of a retail outlet selling her own specially designed millinery wishes to expand. She needs to research a few options including franchising her business, obtaining concessions in selected department stores and linking with a leading womenswear designer to produce new complementary ranges each season. Marketing research and analysis of the status of the business along with the preparation of a future marketing strategy are the major fashion marketing activities needed here.

1.6.5 Fashion product positioning and pricing

A major retailer discovers that a competitor is selling imported silk lingerie similar in design and quality to its own, but at prices that are 20% lower. A fashion marketing decision must be made about the positioning and pricing of the product, taking into consideration the strategic goals of the company as well as the price sensitivity of its customers.

1.7 Ethical issues in fashion marketing

The practice of fashion marketing is often criticized. These criticisms can be classified into two types, the micro-issues and the macro-issues.

Micro-issues concern particular products and services where consumers may feel that they have not been fairly treated or that they have been misled. Most customers have bought clothing that has fallen below expectations by, for example, coming apart at the seams or shrinking in the wash. These problems may occur due to poor quality control or at worst a callous attitude towards customers. Sadly, the view of customers as mere punters to be exploited does exist in some parts of the fashion industry but it is a short-sighted attitude as lack of repeat business, legal redress and negative word of mouth

are all possible consequences. Given the number of items of clothing bought each year, however, some errors are inevitable and the issue really revolves around how the seller deals with the complaint. According to the fashion marketing concept we should be concerned about long-term consumer welfare as this is the key to building and retaining profitable custom.

The quick and fair correction of genuine errors reinforces the message to the customer that the retailer cares about long-term customer welfare. Unfortunately, some staff are placed in positions where their own interests may not coincide with those of the firm or the customer – those who work on a commission only basis, for example. Such practices should be condemned as they lead to an undermining of public confidence in the fashion industry.

Macro-issues are broader and emerge not from the conscious conspiracy of individuals or groups of individuals but as unintended or unanticipated consequences of certain activities.

The most obvious example is the criticism that the bulk of the fashion industry is lacking in sensitivity to environmental issues in that it encourages a throw-away society, conspicuous consumption and unnecessary use of packaging. Marks and Spencer plc can lay claim to a serious attempt to address some environmental concerns with their 'Plan A'. The Marks and Spencer 'Plan A' because there is no Plan B' involves a £200 million eco-plan to become carbon neutral by 2012, to extend their sustainable fabric sourcing and to set new standards in ethical trading. Other attempts to address such concerns, although on a relatively small scale, include the so-called 'environmentally friendly' or 'green' fibres and recycled wool.

However, the charge of encouraging a throw-away society is a problem that is likely to recur with sharper and more vehement focus in the future. The public response to the various anti-fur campaigns run by PETA, Lynx and others since the 1980s has reduced the market for fur products in many countries and has transformed a status symbol of the rich to an item of derision. 'Green' issues in fashion marketing are examined further in Chapter Two.

Another example of a macro-issue is the use of particular models to show garments in advertising material or on the catwalk. Critics allege that this can cause damage ranging from supporting an image of women as mere sex objects to acting as a contributory factor in dietary problems of adolescent females. The over-representation of young, tall and slim female models raises many issues, not least of which is the sensitivity of some promoters to the responses of the audience. The Madrid Fashion Week has banned models with a body mass index (BMI) of below 18.5; this is a BMI that is regarded as unhealthy by the World Health Organization. The use of wider ranges

of body shapes and sizes has been effectively used by Dove in their campaign for real beauty. The non-response or excuse of 'We have to do it, because everyone else does it' from some fashion companies may reveal an unwillingness to research other less potentially harmful ways of promotion. In an industry with an abundance of creative talent, it is surprising to find such pockets of conservatism.

1.8 An overview of the fashion marketing process

Fashion marketing can be viewed as a process and Figure 1.4 illustrates that process. It also gives an indication of the structure of this book and how various parts link together.

All firms operate within a wider commercial environment that influences their activities. Changes in value added tax may inhibit demand for certain garments whereas a fall in unemployment may stimulate demand for workwear. These two simple examples illustrate how changes in the marketing environment can have significant effects on the operation of fashion firms. The marketing environment and how to analyse it are covered in Chapter Two.

Central to the concept of fashion marketing is the role of the customer and Chapters Three and Four deal with understanding and researching the fashion purchaser. In Chapter Three the behaviour of consumers will be discussed. In particular, there will be an examination of the reasons why people buy particular garments: what influences them and what criteria they use. Clothing may be an expression of how people wish others to see them, it may denote membership

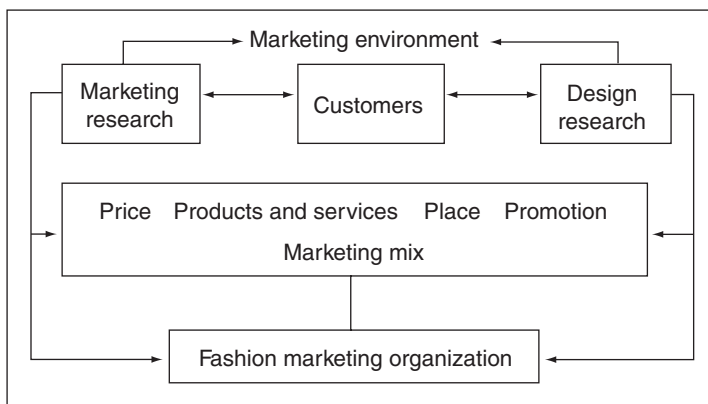


Figure 1.4 The fashion marketing process.

of a certain group or represent a particular lifestyle. To understand customers' aspirations and expectations about clothing fully, relevant psychological and sociological factors are examined in Chapter Three.

Chapter Four takes the understanding of customers' behaviour one step further by looking at how data concerning this behaviour are obtained, namely marketing research. This research can also involve the study of competitors and analysis of the company's own marketing efforts.

In Figure 1.4 the term marketing mix is used to describe the combination of variables used by the fashion marketer to meet the needs of specific groups of customers known as target markets. The selection of target markets and the management of the marketing mix are discussed in Chapters Five to Ten of this book.

Here is an example of how a variable may be adjusted using an example concerning price. A firm may decide to charge low prices and sell large quantities making a small profit on each item, but a large profit in total. A consequence of charging low prices may be that certain outlets are selected because their image is compatible with low prices. The concept of the marketing mix and target marketing are dealt with in Chapter Five. The actual components of the marketing mix are known for the sake of simplicity as the four Ps, i.e. Price, Product, Place and Promotion, and these are covered in Chapters Six to Nine. The role of design research, integral to product design and development, is covered in Chapter Six.

Putting all aspects of the marketing mix together to achieve the goals of the organization is the most important marketing task. Activities must be planned, co-ordinated and implemented effectively, and the results monitored. The final chapter deals with fashion marketing planning.

1.9 Summary

This chapter has introduced and defined fashion and marketing, and how fashion marketing:

- ◆ emphasizes the importance of design;
- ◆ aims to meet customers' needs;
- ◆ helps to achieve corporate goals.

There followed an examination of the practical side of fashion marketing:

- ◆ how fashion marketers work;
- ◆ the ethical issues.

The chapter concluded by:

- ◆ examining the business environment, and the place of fashion marketing within it;
- ◆ introducing the ideas of marketing research and consumer behaviour;
- ◆ outlining the concepts of target marketing and the fashion marketing mix.

Further reading

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