

# Globalisation in the textiles industry essay



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2. Briefly describe the following current issues that affect the industry: a.

Globalisation - design, manufacture, distribution and marketing

Globalisation: -Increasing worldwide connection, integration and inter-relationships in the economic, social, technological, cultural, political and ecological spheres. -Advances and development of technology create links between people of all cultures and integrating whole earth one global system. \* Globalisation in Design: \* Global migration, global trade, global culture and global communication all contributed to expansive marketplace opportunities for designers. Increases global networking (internet) \* Increased ' culture exchange rate \* Allowed designers to operate on a rapidly increased multicultural/global level \* Globalisation in Manufacture: \* Australia companies often select to manufacture their goods overseas due to high cost of labour and manufacturing in Australia. \* Cost of labour, wages and facilities are cheaper overseas \* Allows companies to manufacture their goods at a labour cost and ship them back to Australia at cheaper rate \* Can also give companies access to various government assistance packages \* Extended Overseas Assembly Provisions (EOAP) Enables companies to assemble clothing in low-cost labour countries from garment pieces that are pre-made in Australia and import them through customs duty-free. \* Eg. Bonds products used to be manufactured in Australia but due to the low cost of labour and wages overseas, Bonds now manufactures their products in China. The problem is many consumers still think that they are 100% made in Australia. \* Globalisation in Distribution: \* New drivers \* Interaction between information and communication technologies in association with increased distribution \* E-commerce business Business can reach new markets, receive electronic orders with 24-hour access, pay online, network

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with allied business and reduce time, money, travel and marketing costs. \*

Example: Fashion label Oneteaspoon \* Jamie Blakey soug out and took advantage of international distribution networks to increase the profile of her business \* Jamie draws from eclectic design inspirations and transcending trends \* She increased the profile of her business by allowing local and international customers shop online. The online store is convenient with its currency exchanger and quite user-friendly.

The result of her success in using international distribution is that oneteaspoon has now stocked in 32 countries worldwide. \* Globalisation in Marketing \* ATCFAI seeking new market place opportunities due to continual changes caused by globalization \* Responding to change \* Understand marketplace activity \* Trends and opportunities \* Appropriating strategies \* Ensure that Australia will continues to gain access to overseas markets \* Development of strong exports markets, essential for Australia to remain competitive on a global scale \* Austrade Assist Australian companies to export their goods and services \* Administers Export Market Development Grants scheme \* Australians succeed in export and international business by providing advice, market intelligence and support to Australian companies to reduce the time, cost and risk involved \* Example: \* Catalogue marketing: HIGH TEA WITH MRS WOO from ' Seven Sundays' collection \* HIGH TEA WITH MRS WOO won the Austrade-Powerhouse Market Development Award at the 2005 NSW Mercedes Benz Start-Up Awards \* b. Imports/exports

Industry struggles with foreign competition \* Developing countries have seen the export of apparel products as a major pathway of economic growth. \* China is expected to become the " supplier of choice" for most importers

because of its ability to make almost any type of textile and apparel product at any quality level at a competitive price \* A survey shows that exports from low wage countries in general, and China in particular, will grow rapidly, virtually wiping out the textile and apparel sectors of established suppliers \* Large number of cheap imports Detrimental to the local economy \* Products produced using inferior methods and materials in the clothing and textile industries, this results in poorly produced goods \* Eg. Clothing, shoes, non-apparel etc from Paddy's Market. Most of the textiles items sold at Paddy's Market are imported from China. \* The balance between what our country exports and what it imports is tipping in favour of China. \* No added value to our exports, since we send out raw materials and it returns to our shores as finished product. Eg. Export of fibres Wool China to be made into clothing \* Eg. Sportsgirl: the garments are not cheap and consumers are paying lots of money to buy garments that are made in China. \* As an effect to this, many Australians are losing their jobs in the manufacturing sector c. Skill levels of workers Organising diversification of skill base, retraining and technical training in technology advancements is necessary for workers to be gainfully retained in the fast changing industry. Many job losses in the manufacturing section of ATCFAI \* Retrained TCF workers, eligible for a special Labour Adjustment Programme \* Can receive immediate employment assistance at the Intensive Support customized assistance level. \* Package provided by Aus Govt \* Assist individuals, business and TCF - dependent communities affected by the changes to the competitive arrangements for the industry d. Changing consumer demands ATCFAI needs to remain competitive in meeting changing consumer demands in the marketplace, driven by changing of Australian lifestyles \* Sunsafe clothing increased

awareness demand for sunsafe clothing \* Australia-made clothing increased awareness of Australia's place in the global market and strength of local economy demand for products made 100% in Australia \* Australia's ageing population demand for specific clothes more suitable for older people remaining in workforce \* Fitness fitness levels have increased for a wider population demographic demand for clothing for fitness activity \* Clothing from organic sources consumers feel they should be addressing environmental issues demand for 'green' products \* Sizes consumer demands for items to fit taller, shorter petite or larger people \* Celebrity status driven by globalization and media influences \* Fashion cycles driven by media influences \* New technology people demand for performance fabrics \* Sports teams supporters demand team merchandise for all ages, sizes and styles \* Accessibility to elite equipment demand for the same products, clothes and equipment used by elite athletes \* Innovation of children's clothing multi-sized clothing for children e. Manufacturing strategies

The TCF industry has struggled in Australia since the government commenced dismantling tariffs \* By coursing from Asia, middlemen undercut established suppliers and retail chains set benchmark low prices with their imported "house" labels. Mass-production versus Niche markets \* Niche markets smaller portion of a larger market \* Generally refers to a special/narrowly-defined group whose needs are not being addressed by conventional mass-produced goods. \* Mass-produced goods created by those businesses that manufacture vast amounts of merchandise to be sold. \* This means that they cannot cater to every market segment \* Only to the

largest mass market Gap in the marketplace smaller segments of a market with precise needs not being met \* Create a profitable opportunity for smaller, more specialized niche businesses \* Consumer demand for niche products is rising \* Needs are not being met by mass-market businesses \* Niche products: appeal to a consumer's sense of individuality and need to stand out from the crowd \* Austrade \* Key point to help businesses to use globalization to Australia's advantage \* Many of Austrade's businesses now specialize in the designs aspects \* Having their products, or parts of their products, manufacture under license overseas Examples of products: \* Ahiida (niche markets) \* Business of providing high quality Burqini® Swimwear and Hijood® Sportswear that is in line with Islamic values. All products incorporate choice as well as pure functionality. Although the variety is quite limited, this product caters to the special needs of Muslim women, who wish to participate in sporting, swimming and day-to-day activities. \* Bonds (Mass-production) \* Australian manufacturer and importer of men's, women's and children's underwear and clothing \* Bonds markets a variety of underwear and sleepwear garments including boxers, briefs and trunk styles of underwear for men, along with light tees and polo shirts. \* The product line for women is more extensive, offering sports and maternity wear alongside casual clothing, and a variety of undergarments including bras and hipsters. There is also a range of apparel for children and infants, including singlets, underwear and sleepwear.