Brand management for fashion industry

Introduction

Though brand management is not limited to the apparels and accessories it is very evident that fashion industry has given the word a turnaround over the years. From brand fanaticism to Brand loyalty Fashion Brands have the tendency to create a strong Brand identity amongst the minds of the consumers. Many of their brand management strategies have been successful.

The global fashion industry is a giant in terms of the impact it has on economy, trade and commerce of many countries, the reach and importance of its products and the strength of its employment.

Over the century, growth of the industry has been astonishing in terms of technology and revenue. The innovations had been rapid and growth exponential.

Though origin of branding dates back to historical times, fashion industry is one of the industries which capitalized the most of a Brand's strength. Fashion industry has a strong affinity to brand management, and most successful brand strategies like retailers Zara, Mark & Spencer and Luxury designer brands like Louis Vuitton, Armani, Dior and YSL.

The Brand strategy of most fashion brands revolve around the concept of differentiation of products, target customer group and building brand-consumer relationship from which is derived a Brand Personality and Identity of each brand. This identity carves a niche for the brand in the market.

But there arise a few questions about this glamorous industries' brand management strategy.

Does a successful brand management strategy mean ethical Brand strategy?

Does having a good turnover a year make a brand strategy successful?

Can Ethics be inculcated in a brand strategy in an effective way?

In the recent years a new concern has developed for the industries worldwide, the Ethics of business. The London fashion week, 2008 states that the fashion Industry has been caught on the issue of ethical and environmental clothing.

Though researches have been made widely on Ethics and Business in most of the fields and industries very few initiatives had been made for the same in terms of brand management ethics and in particular context of Fashion and Apparel Industry.

This Proposal aims in studying this less frequented topic of research yet growing concern of ethical consumerism in fashion industry, the requirements and processes involved for a brand to identify itself as a Holistic and authentic ethical brand.

Scope of the Study

Research Objectives, Questions and Hypotheses

Research Objectives

To study the brand management strategy of successful and powerful brands

To understand the importance of Ethics as a critical factor for any brand strategy

To analyze the effects of integrating ethics into the brand strategy and the implications of the relationship

Research Questions

What is a Brand strategy management? What are the successful brand strategies?

What is business ethics? What is the need of Ethical Brand strategy?

What are the implications of integrating ethical business and brand strategic management?

Research Hypotheses

Hypotheses 1

Strategic management is significant for a successful Brand

Hypotheses 2

Business ethics has become an essential factor for competitive advantage of a brand

Hypotheses 3

The relationship between brand management and business ethics can form an authentic ethical brand

Literature Review of the Project

This chapter aims to analyze the theory of the research project which is basically categorized into three broader topics of the research, namely

Fashion Industry

Brand Management strategy

Business Ethics

FASHION INDUSTRY

Definition and History

While fashion can be defined as the style or custom prevalent at a particular period of time adopted by the vast population in terms of clothing or behavior, it has been around from the time when people begun clothing.

From 10, 000 BC when men discovered a needle and loom to cloth themselves, through the Mesopotamian and Egyptian civilization where clothing got a religious meaning through the roman and Greek civilization where clothing was given an symbolization of beauty through the evolution of modern Elizabethan and Victorian era and finally to the era of influence of designers like Dior, Chanel to arrive at the Great Fashion era of today, Fashion has been ever evolving.

Evolution

But technically an industry for the same flourished only with the mark of Ready-to-wear invention around the beginning of 20th century. Till then tailors made cloths specific to a person, until when they found similarities of

body forms of people they developed patterns which would fit more than one individual. Thus came in the Ready-to-wear garments.

With the mark of 20th century the tailor shops were being turned into workshops to factories, where pattern drafting, bulk fabric cutting and sewing began. Industrial engineering and quality assurance were introduced as in other industries to yield greater quality and quantity of goods. During the era of industrial revolution the industry flourished. Thus evolved a billion dollar industry.

With market being flooded with apparel products, the industry learnt the means of survival is differentiation. That is when the fashion industry started to adopt branding strategy for differentiation and creating particular identity of products that could be held in the minds of the consumers which would make them to buy the products repeatedly. Thus evolved fashion brand management strategy.

Successful Fashion brands and brand philosophies

Nike " Just Do It"

The brand philosophy portrays grit, determination and passion.

The products of Nike send the statement of a " detached, determined, unsentimental" attitude.

Nike is synonymous with Cool

LV Symbol of sophistication and style

LV brand philosophy is tradition in

combination with modernity

LV products are Elegant, Practical, Prestige, Luxurious, Desirable, Stylish, Value-for-money, High-quality and Ever-lasting

LV signifies Pride, Luxury and elegance

Giorgio Armani – Epitome of Luxury Fashion

The brand founded and owned by the designer Giorgio Armani is a luxury line created by the designer catering top-notch clients with exemplary designs, style and materials that differentiates it from the regular luxury brands.

The Brand Philosophy of Armani brands are based solely upon the founde'rs personality and idea since the unique selling point of the brand is that it is Armani's!

BRAND MANAGEMENT STRATEGY

Brand Definition

According to the American Marketing Association (AMA), " A brand is a name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers."

But in a more generic definition it could be a means of differentiation a company has over their competitors who produce similar goods. For Example: Procter and Gamble produces dental tooth paste and so do Unilever. They both have to differentiate and offer some product for their

customer base that would make them loyal to the company. Thus P&G created Crest and Colgate brands of toothpaste and Unilever created the Pepsodent. The name is not the brand. But the logo, symbol, the product offering, the values on the whole is the brand a company creates. brands enable a buyer to easily identify the offerings of a particular company.

Psychological perspective of brand

From the psychological perspective a Brand is a perception held in the minds of the consumers. Perceptions are the psychological experience of humans. Hence a " brand" is actually the psychological experience or view a human has about what it has to offer to them.

As Scott Bedbury, a leading branding consultant in his book titled, " A Brand New World" rightly states " Brand has become psychological concepts held in the minds of the public, where they may stay forever"

Brand Strategic Management

Strategic management in a Brand arena is the structured analysis, decisions and actions the brand takes in order to conjure the brand identity and value which gives the sustainable competitive advantage over its competitors.

Decision

Analysis

Action

Brand strategy is the foundation laid for the creation of the brand Identity which signifies the brand promise the customer expects. A brand strategy encompasses systematic planning at each stage of branding process.

Right from

Realizing the mission and vision of the company,

Researching and defining the target customer segment,

Zeroing on the Unique Selling Proposition of the company,

Differentiating from competitors

Giving a personality to the brand, developing brand values,

Communicating the Brand values and brand promise to the customer

Until Sustaining the Brand the strategic planning, decision making is termed as the brand strategy Management.

The Zara Strategic Management

Definition

A firm to sustain in the current competitive market scenario should formulate and implement a value creating strategy, in order to achieve strategic competitiveness.

Strategy is an integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage.

Strategic management process is the full set of commitments, decisions, and actions required for a firm to achieve strategic competitiveness and earn above-average returns.

Zara has adopted what is termed as the integrated cost leadership and differentiation strategy. This strategy involves engaging in primary and support activities that allow a firm to simultaneous pursue low cost and differentiation.

The Strategic Process

Today a consumer has high expectations while purchasing a good or service. They demand low-priced yet differentiated products to suit their needs. To address these demands organizations engage in primary and support activities which will equip them to capitalize on both lower cost and differentiation. The objective of this strategy is to produce products of differentiated value efficiently. Efficient production provides cost leadership and the differentiation of products add unique value to it. The firms thus become strong in networking amongst the primary and secondary activities becoming competent.

Zara's Strategic Process

Zara has successfully adopted this strategy of cost leadership and differentiation to provide consumers with desirable fashion goods at relatively low prices. The sophisticated design team, effective managing of costs, flexible production system and total quality of management are the capabilities of Zara which gives it an strategic advantage over competitors

ETHICS

Definition

While the world is facing the strength of business and commerce flourishing despite the economic slowdown, there is a silent movement amongst both

the consumers and the organizations arousing concern for Ethical Business. Business ethics has now become the much debated topic not only because of its growing importance but also the complexity and difficulty in understanding and implementing them in a business.

Human Beings have the power and ability to think and make a decision which other creations don't possess. This ability also comes with choices. And these choices require rational thinking. The humans thus should make the choice of which is right over wrong, using their knowledge, views and analytical skills. But the right and wrong are not explicit and requires tough decisions as the ethical decisions are not easy to make and demands more than what the individual or organization is ready to give. But such decisions are vital for the greater good of the organization, people and environment

Evolution of Ethics

Ethics is one of the few terms with no one fixed definition. It is an evolutionary concept. Its meaning and purpose is evolving as does the business. The following are the few views on ethics,

The Initial definition for ethics was simple. Ethics was about doing right thing in context to morals, values and culture. This works for an individual who has personal instinct and acts according to that instinct.

When it comes to an organization's perspective, defining what is the ' Right thing' and whom or what should be the primary concern for ethical decisions – the company, the shareholders, the stake holders or the whole society, ample questions arise.

But inevitably men are greedy and as time progressed since 1960's various ethical issues arouse in business. From the Employee-employer relationship tensions, bribery, financial frauds and mis-management, human rights, transparency issues, environmental issues to the Intellectual property stealth and cyber crimes every issue has led onto a newer perspective and need for ethics in business. These needs were supported by various laws and codes passed on by the authoritative organizations. The developments include the earlier code of conduct and values established by companies, to the formation of ethics resource centre and corporate social responsibility movements and until the Sarbanes -Oxley Act of 2002 business ethics have fallen under strict scrutinization of these regulations.

Need for Ethics

Business ethics in text definition is ' The Principles, standards or rules that guide the organization and the organizers together in the business arena'. The standards are the judging criterions for what is right or wrong and what is acceptable and unacceptable by the society at large.

But various studies suggest that ethics is ever evolving phenomenon. From being Just doing the right thing to the standards and laws of judging the right thing now ethics has evolved to " Business beyond profits and laws. Now Business ethics is about the " Triple Bottom Line".

Financial

Social

Environmental

Ethics is now beyond just doing business without harming the society and environment. It is about doing business and also contributing to the society and environment from where they take resources for doing the business and also sell the end product or service. Thus the expectation is that while the business has growth there should also be the societal and environmental growth.

This evolution of ethics gave rise to a new field in business namely the Corporate Social Responsibility. CSR is about an organization going beyond what is legal and makes most profit for the company to contributing and achieving societal benefits with interest of all stakeholders.

ETHICAL BRAND MANAGEMENT STRATEGY

The New Concept

While the business ethics is much debated and though complex organizations are trying to interpret and implement them in business. Research and studies are conducted in this field of business ethics. But unfortunately Brand management and integration of ethics into the foundation of branding still remains unobserved. The reason for the same could be many including the major misconception that branding is all about the powerful logo and name that enables organizations to sell products and rake profits.

But that is only one part of the branding. The product branding is much regarded with importance that organization branding is overlooked. This study is to understand the importance of integrating ethics into organization branding and the strategic implementation of the same.

Brands today have a powerful position in the minds of the consumer. The consumers associate themselves with the brand and studies claim that bran is a ' Personality' in the minds of the consumer. This phenomenon leads to brand loyalty or in severe case to brand fanaticism. When brand has such importance amongst its consumers and has direct impact with its activities in society and environment, there is growing demand for Ethical brands.

Case study: Apple

Considering the Case of one of world's powerful brand, Apple:

Apple has a perceived personality of sophistication and uniqueness in the minds of its customers and the society.

But a recently one of Apple's supplier manufacturer have been found guilty for chemical poisoning of 49 employees and another supplier reported to have used child labor.

Though Steve jobs of Apple claim that Apple is not responsible for the same, these reports highlight lack in ethical concerns in area of production of world's popular devices. This might pose as a threat for the brand Image Apple has created over the years and its sustainability becomes questionable. Consumers have the access to information to realize Apple's sophisticated product is an end result of unacceptable work environment and child labor. Then the Brand Personality in their minds might take a change.

Thus to avoid such a situation it is not an option but a necessity for Ethical brand Management Strategies.

The Ethical Approach

Ethical brand is perceived as an oxymoronic term by business community at large. They are regarded as two contradictory terms put together. But the real sense in perceiving them is as two complementary words working in synchronization with each other. Both is of no use when the other is insignificant.

While a typical Brand Strategy aims to

Establish the brand values amongst customers

Create Brand Identity and market position differentiating from competitors

Create and sustain brand loyal customers

To maximize profit by increased sales and expansion of brand

These aims are basic and essential for any organization trying to establish and sustain a brand and make the organization profitable. But as the brand grows in size, power and financially, these aims are testified for their ethical commitments and that is when they flatter undoubtedly.

The Ethical approach to the same brand strategy aims would possibly be,

Establish the brand values amongst customers – By not just stating the values but integrating those values at each and every stage of the organization. Brand values are promise made by the organization.

Create Brand Identity and market position differentiating from competitors – By competing fairly, without trying to override competition unethically at any means

Create and sustain brand loyal customers – Without fake promises, with transparency and sustainable brand practices.

To maximize profit by increased sales and expansion of brand – Without bringing about any harm to the environment, society and stake holders, and also contributing to the society and environment responsibly.

The table does not follow any standard code of ethics but just a perspective in which the same aims can be redesigned for an ethical brand.

ETHICAL FASHION BRANDS

Fashion industry is undoubtedly ever flourishing industry not only because of its size and buzz but also since it produces one of the basic commodity for which there is a ever increasing demand: Clothing. Fashion Industry is characterized by Labor intensive, customer centric, fast changing trends, extensive raw material usage, and tedious manufacturing and marketing processes.

Consumers of fashion brands are loyal followers of their brands. Be it high end fashion designer brands like Dior and Armani to the mass marketing fashion brand like Zara and M&S, brand followers have very high expectation of their brands. From product quality to service these brands have to live upto their brand promise.

With Globalization, a brand's customers have access to information's of all forms. And the rising concern of the fashion consumer is not only about how cost efficient their clothes are but also how ethical are the clothes they wear?

It has to be mentioned here that the same consumers who question about ethical status of the brands also demand lower costs of quality products. As discussed earlier in ethics there are always choices,

whether to provide higher ethical products and the higher cost that accompanies it to make sustainable profits

whether to give lower cost, lower ethical products and still make larger profit

Unfortunately most fashion brands seem to have chosen the latter option which could be viewed as the immediate best solution for the brand and customers. But is the solution sustainable is the issue of the hour.

Case of Ethical Brand Failure

H&M

Originated in Sweden in the year 1947, H&M now holds 2000 stores across the world. The brand has its own base of customers and promise them fashion and quality at the best price.

The corporate social responsibility of H&M as stated in their sustainability report which states ' style and substance' encompasses most of the ethical issues of fashion industry. Their sustainability vision as stated is that they follow a strategy for the business operations which ensures financial, social and environmental sustainability.

But recent reports claim otherwise, Financial Times has reported that H&M clothing's organic cotton claims are deceptive as a test conducted on these so called organic cotton fabrics reveal a outrageous amount of genetically modified cotton, (DNA modified cotton for better productivity and anti-pest properties). It is well known that there is worldwide outrage against genetically modified crops as their ill-effects surpass the benefits they possess. Many countries have banned the cultivation and use of genetically modified cotton as they possess unforeseen threats to the consumer's health, environment and the society.

Here is the case of H&M's failed promise. Their sustainability vision has lost its application as they committed financial, social and environmental sustainability but the reports claim the opposite.

GAP

Gap, claiming to be the world's largest specialty retailer, was founded by Doris and Don Fisher in the year 1969 with San Francisco as the base. They include array of brands namely Gap, Banana Republic, Old Navy, Piperlime and Athleta. Gap now operates 3100 stores worldwide.

Interestingly GAP has dedicated a separate website for the cause of the Brand's social responsibility and ethical practices. The Statements and claims are powerful and brings a positive aura about the brand.

Gap states that they believe not only in the basics of ethical business practices but also to embrace a broader, deeper responsibility to people and the planet. The statement states that the brand stands up to care for the stakeholders, society and the environment at large and they make choices which bring no harm to them. They also ensure the GAP customer that every time a Gap product is purchased the consumer acknowledges a Brand which cares about people and planet.

But the true depth of these statements becomes questionable when GAP is now caught in the middle of quality of the work environment GAP suppliers are subjecting their workers to. The Telegraph reports about child-labor in factories in India sewing GAP garments.

The Saipan Islands of the pacific, Officially under US has a legal system for setting their own immigration system which facilitated garment manufacturers to bring in cheap labor from china and use labels stating Made in USA. The large Chinese owned garment factories bring in young female workers from china and mostly south-east Asia with assurance of

good salary and work environment but contrastingly with sweat shop work environment.

A critical analysis of what GAP has stated as their ethical policy is strikingly in contrast with these reports. If the ethics is as integrated into Gap's vision as they claim what could be possibly be the cause of these situations in factories supplying GAP clothing?

The Need for Authentic Ethical Brand

The cases of GAP and H&M are just examples of ethical failures in Fashion Brand management. There are many other big brands associated with ethics failure the list including Nike, Abercrombie & Fitch, Calvin Klein, Wal-Mart and more.

These cases plainly illustrates these companies didn't lack a vision for sustainability. They had well-structured vision and mission for sustainable ethical strategy, but what they lacked was the implementation and monitoring of the same.

It is also essential to begin this process right from the basics. That is ethics and brand strategy should integrate from the fundamental and progress upwards through all processes of the brand development.

Research Methods

This research proposal aims in laying the foundation for the detailed dissertation to follow on developing an ethical brand strategy framework for the fashion industry. The proposal aims in locating the problems of existing ethical strategies and their implementation and monitoring systems.

RESEARCH FRAMEWORK

Trend Analysis

Design process

Sampling

DESIGN & MERCHANDISE

Ethical check point

Ethical issue

Ethical Solution

Approved

Rejected

Scheduling & resource allocation

Supplier Analysis

Raw material procurement

Sampling

PLAN & SOURCE

Ethical check point

Ethical issue

Ethical Solution

Approved

Rejected

Garment Sewing Management

Fiber to fabric monitoring

Marketing & Ads Management

Sampling

PRODUCE AND MARKET

Ethical check point

Ethical issue

Ethical Solution

Approved

Rejected

DISTRIBUTE

Warehouse management

Inventory Management

Transportation to showrooms

Ethical check point

Ethical issue

Ethical Solution

Approved

Rejected

Floor planning & VM

Sales & feedback

Sales & Trend analysis

SALES, ANALYSE & AFTER SALES

Ethical check point

Ethical issue

Ethical Solution

Approved

Rejected

Research Development

Human Resource Management

Administration

SUPPORT ACTIVITIES

Ethical check point

Ethical issue

Ethical Solution

Approved

Rejected

PRODUCT OF AN AUTHENTIC ETHICAL BRAND

The idea of the research framework Fig is to ensure the brand can be known to be practicing an ethical strategy if and only if code of ethics is integrated at each level of process flow of product development.

Description of the framework

The framework is structured to highlight six vital process categories for a brand to produce the end product. The categories include

Design & merchandise

The design and merchandising is the first stage in a fashion brand process flow, as this where the product is conceptualized and given form. The trend analysis, feasibility of design, material selection, sampling and all merchandising coordination processes takes place at this stage. This is the mind work part of the fashion product development.

Plan & source

Planning includes the pre-production scheduling, resource allocation, backward planning and ensuring commitments. Sourcing includes

procurement of raw materials for the production process. This stage requires large supplier and buyer co-ordination and resource planning.

Produce and market

The apparel manufacturing is the most labor intensive of all levels of product development. However automated, the actual cut, sew and pack requires ample workforce management. Marketing is where the brand transports its values to the customers and involves PR

Distribute

The distribution is the most important of the supply chain activities, inventory and warehouse management of finished goods, allocation planning and transportation to the showroom.

Sales, analyze & after sales

This is where the product is made into revenue through sales. The showroom management, floor planning, visual merchandising all enable shoppers trafficking the showroom while the sales analysts analyze the sales patterns and suggest on replenishment. The after-sales services and waste management of the Brand's products are areas of concern.

Support Activities

The support activities form the backbone of the brand process flow, which includes the essential human resource management generating, training and maintaining workforce, research development bringing about new innovations for the brand's portfolio and the general administrative department taking care of the overall functioning of the brand from conceptualization to customer care.

The Ethical Checkpoint

The research aims in finding the feasibility of having an ethical checkpoint at every stage of product development of an apparel brand. The purpose and functionality of the ethical checkpoint could be

Aim

To ensure only ethically sustainable products pass through different levels of brand's production process.

Process

Each brand should define their own ethical standards and code of ethics to be followed at each level of the Brand's product development. This code of ethics should be in compliance with both global and local ethics standards in accordance to the brand's demography.

The function of the ethical checkpoint is to ensure that at each level of process flow the ethical standards are met and if any ethical issues arise the suitable ethical solutions are arrived at before the product pass on to the next level of the process flow.

In this way the product at each level is ensured to be sustainable. Thus the brand self-monitors itself for ensuring the sustainability promise it has made to its consumers

End Result

The end product is not just name sake ethical but holistically ethical made by ethical standards from the scratch to the finished goods stage.

Positive Impact

By adopting this strategy the brand not only ensures it stays committed to the people, planet and product but also they promote positive consumerism amongst their consumers. This is one of the possible frameworks of authentic ethical brand management strategy for the fashion industry.

A descriptive framework for the ethical check point could be

Ethical check point

Ethical issue

Ethical Solution

Approved

Rejected