

Analysis of the australian fashion industry



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Australian Fashion

Well known Australian designers Lisa Ho, Collette Dinnigan, Sass & Bide, Ksubi, Jayson Brunsdon, Leona Edmiston and Kit Willow are taking the world by storm and expanding into the international marketplace.

Fashion is one of Australia's key creative and design industries and there are now over 2000 active fashion exporters delivering their products and services in overseas markets.

The export of Australian fashion is not limited to exclusive designers. Street wear, and surf wear are also famous worldwide. Quiksilver, Billabong and Rip Curl are famous for their boardshorts, T-shirts and wetsuits.

"Getting your label overseas is important", says designer Claus Maus, "Not only for building your brand but also for growing sales."

The key markets include New Zealand, United Kingdom and the USA. Annual textile, clothing and footwear exports are worth \$A277 million, of which \$A289 million is clothing.

This essay will examine the marketing strategies adopted by some of these fashion brands to launch their label internationally.

International markets can provide opportunities for growth. To achieve this, companies need to develop and perform marketing activities aimed at their target customer.

A detailed analysis of the environment is critical before a company enters an overseas market. This analysis should include cultural, social, ethical

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economic, technological, political and legal issues. Cultural differences may affect marketing negotiations and product use.

Australian fashion is becoming more popular. Australian Fashion Week is one of the first shows of the fashion season which mean Australian designers can be early in setting trends. It was during Australian Fashion Week that Easton Pearson got their start globally. It is all about timing.

Fashion does well in neighbouring markets such as New Zealand, Indonesia and Singapore.

In order to stay competitive in the global fashion market, brand management and positioning is crucial. It is important for designers to have a presence at major international fashion events with an eye to being picked up by overseas retailers and boutiques. It is important to listen to your consumer and listen to your retailer. The retailer will have some very specific requirements - will it turn up on time, it will be price correctly and it will make your consumer feel special.

The type of product will obviously determine the right market. For example, red-carpet fashion will do well in wealthy, affluent markets, whereas swimwear will do well in big resort areas.

The international fashion industry is tough, competitive and constantly evolving.

Fashion can be very market and culture specific, so fashion labels should be aware that what is considered fashionable and stylish will differ considerably between markets. When going international fashion exporters need to

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consider the lifestyle of the customer they are targeting and adapt colour, garment practicality and fabric choices to suit the target climate, lifestyle and market group

Social laws will dictate to what extent certain parts of the body should be covered and even the models displaying products should reflect the target market. Immodest clothes are considered inappropriate for many Middle-Eastern women and in Mexico the colour purple is associated with funerals.

Easton Pearson, a successful fashion exporter had to adapt their sizing and hemlines for markets such as Japan and the Middle East.

Successful jeans label Tsubi underwent a brand name change to Ksubi. . A shoe label in the United States called Tsubo claimed the name infringed its trademark and challenged the businesses' use of the name.

This case exemplifies how much a brand name means to the business.

Colour can also be associated with a brand. Cadbury unsuccessfully took Darrel Lea to court over their use of a shade of purple.

Within every brand there is a product. But not every product is a brand. A product is something tangible, it has physical attributes, styles, features and price. A brand is the total consumer experience of a product, its personality, the trust you have in it, the status it gives you, the experiences you share with it.

The cultural aspect of launching a brand can't be overlooked. Sometimes there are language issues, For example, The Ford Pinto did miserably when first introduced in Brazil, and it was discovered that " pinto" is slang for "

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small male sex organ". Ford changed the name to "Corcel" which means "horse" and sales improved.

Billabong is now the leading brand in Peru. One of the ways in which they have made this brand so well known in Peru has been through providing sponsorship to leading athletes. They sponsor surfers, skateboarders and snowboarders and host many of the events that make up the surfing World Championships Tours as well as region-specific events. They know their customers well and develop innovative and functional products for them,

Breaking into overseas markets is exciting but also challenging. Developing an overseas market gives rise to opportunities to grow and prosper with increased sales and profits, improved domestic competitiveness and a reduced dependence on the Australian market and seasonal fluctuations.

To enter the overseas market there are certain strategies that must be undertaken to improve success. Breaking into the international market can be costly in time, money and resources. Thorough preparation is essential. Preparation should include professional advice, the ability to balance domestic and export markets, do not assume all markets are the same and modify the product to meet regulations and cultural preferences of other countries.

Planning is essential. Companies must be capable and ready to export and must have total commitment from all staff. Research is essential and a thorough analysis should be made of the market, taking into account size and distribution capabilities and competition.

Companies should respond to perceived demands in overseas markets such as niche markets and acquire resources and technology.

A successful marketing strategy used by Sass & Bide to launch their label internationally was having celebrities wear their clothing. Basically they asked people through fashion editors to 'try their jeans' and first begun by sending their jeans to all of the editors in New York and London presented beautifully with a covering letter. This strategy worked as out of a dozen gifts sent, 6 would write back saying "OH, my God, we love this", and as a result celebrities would endorse them. They just had to get their product to the right people. They took this approach as they did not have the money to spend on advertising and marketing, and thought that word of mouth marketing was the way to go. Working with influential people (celebrities) is an important part of word of mouth marketing.

"Nobody counts the number of ads you run, they just remember the impression you make." (William Bernbach).

Sass and Bide partners, Heidi Middleton and Sarah Clarke spend a lot of time travelling making connections with the customers on a one to one level. They do not want to advertise they are more interested in intimate marketing as well as Public Relations. They relied on word of mouth marketing early on however this has changed over the years. The US market is very competitive so they now have a marketing plan and strategy in place to target the whole of the country. They target celebrities like Naomi Watts and Kylie Minogue. They also do in-store appearances and hold tea parties and invite all the stylists and editors to these tea parties.

The SWOT analysis is a tool used to assess a company's strengths, weaknesses, opportunities and threats. Strengths and weaknesses come from within the company and are directly controllable. Strengths are attributes of the organisation that are helpful to achieving the objective. If a SWOT analysis does not start with defining a desired objective it may be useless. Identification of strengths, weaknesses, opportunities and threats is essential as steps in the process of planning for achievement of the objective may be derived from them.

Strengths include a strong brand name and a good reputation among customers. Weaknesses include limited finances and lack of key distribution channels. Opportunities include new technologies, a new international market and loosening of international trade barriers. Threats are shifts in customer's tastes, new competition and the introduction of new regulations.

Firstly, the company has to determine whether the objective of launching internationally is attainable. The organisation should ask how they use each strength, how they can stop each weakness, how to exploit each opportunity and how to defend against each threat.

A fashion label needs competitive advantages that give it an advantage in meeting the needs of a targeted market (strengths). To be successful fashion labels need to be an innovative product combined into excellent design that bring together individual style. Brand ambassadors are also a key element in brand acknowledgement overseas.

Limitations that a business faces in developing are a weakness. Weaknesses are harmful to achieving the final objective. Limited financial resources can

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contribute to weakness. The label must be able to generate sales rapidly after the launch. This entails reaching enough people with marketing efforts and creating a retail network.

Opportunities and threats exist independently of the business. Opportunities are favourable conditions and business can be rewarded from these benefits if it acts on them properly.

Threats are conditions or barriers that may prevent the organisation reaching its objectives. Threats must be acted on or avoided to prevent them from limiting the company's capabilities.

When launching a fashion label internationally it is important to make sure the opportunities are used properly and the strengths made even stronger in order to find new arising opportunities.

All the Australian fashion labels entering the international market are in direct competition with one another and are rivals. They all operate in similar fields and their target customers are similar. Billabong and Quiksilver are well established and have loyal followers.

Even though competition is very hard it creates opportunity. Competition keeps the companies moving forward.

Creating word of mouth marketing campaign can make a big difference in the perception and image of the brand. According to Andy Sernovitz, author of "Word of Mouth Marketing: How Smart Companies Get People Talking" there is a five T method to create efficient word of mouth campaigns. Getting the campaign to function is based on Business to Customer to Customer

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communication. The real message comes from the customer. The five Ts are Talkers Topics, Tools, Taking Part and Tracking

Word of mouth marketing is fully actionable, trackable and plannable. The Internet provides excellent ways to track blogs and other forums. It is very important to identify who and why people are talking about the brand. Find people who will talk about the label and give people a reason to talk. Tools help the message spread faster and further. Track, measure and understand what people are saying.

It is important to be successful internationally to find people who will talk about you such as retailers, bloggers and influencers. Also the fashion label should give people a reason to talk through excellent products and great service. They can help the message spread faster and farther by blogs, message boards and the internet. The company itself can take part by posting blogs, answering emails and offering personal service. Also you should measure and understand what people are saying by searching blogs and listening to feedback.

The fashion product must also make the most of opportunities. The product image must appeal strongly to people who want to dress stylish but do not want to sacrifice their comfort. With a successful marketing campaign and image building the brand can become very valuable in a short period of time and generate lucrative offers from investors and competitors.

Most South East Asian countries correlate imported brand names and higher prices with superior quality. They generally pay close attention to the country of origin when evaluating quality and making purchasing decisions

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on apparel products. The average target age of consumers in South East Asia for imported apparel is becoming younger from people in their 30s to people in their 20s.

Given the growth South East Asian casual wear and sportswear market. Australian apparel in these segments has some distinct advantages that provide a good basis for establishing a strong brand image.

Designer brands that are successful in the international marketplace have a high market potential to be successful in the South East Asian market. Department stores in South East Asia are highly positioned and any international fashion brand ensure that it is a priority to enter the department stores.

Social Responsibility

Socially responsible organisations strive for marketing citizenship by adopting a strategic focus for fulfilling the economic, legal, ethical and philanthropic social responsibilities that their stakeholders expect of them.

At the most basic level all, companies have an economic responsibility to be profitable so they can provide a return on investment to their owners and investors, create jobs for the community and contribute goods and services to the economy.

Marketers are also expected to obey laws and regulations.

Examples of social responsibility issues include environment, consumerism and community relations.

Being socially responsible means an organisation shows concern for the people and environment in which it transacts business. In some cases social responsibility incorporates supporting social causes to help society. For example, some marketers sponsor charity events. Social responsibility does not automatically translate into increased revenue or public image. However, companies who adopt social responsibility tend to have a strong reputation which pays dividends in the form of increased customer loyalty.