

Chapter 3

Aspects of Fashion Business

3.1 Apparel Sectors- An Overview

Fashion is a big business that substantially contributes in running of a country's economy. Modern apparel industry is a global structure of firms, all intending to provide and serve customers around the world. Globalization has changed the scenario, where the fashion goods are made, where they are sold, and how each company fits into a network that includes both competitors and partners beyond its geographic boundary. Although trade among nations has been a fact for centuries, today's globalization of business occurs with speed and intensity that transforms the industry in ways never seen before.

The business of fashion traditionally concentrated on producing and serving domestic customers or market. This act of serving to the ultimate customer is called retailing. However, today the industry is a global one, and manufacturers are focusing on catering to the world consumer at large.

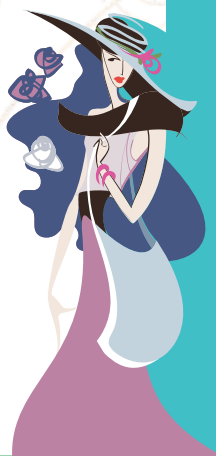
In a global economy, more companies take advantage of opportunities to do business internationally, either to import i.e. to buy from other countries or to export i.e. producing for a brand that serves the consumers outside the boundary of the manufacturing country.

Familiarizing, understanding and respecting the national laws, customs and other cultural differences of trading partners, fosters positive international business relationships. Thus, there are agents who can be hired to act like intermediaries between the manufacturers of the goods in the exporting country and the retailers of the goods in the importing country. These agents are called as buying agents who operate through an office set up called the buying office.

3.2 Export house

An export house is an apparel manufacturing firm that provides a worldwide service of producing products that shall ultimately be retailed to the consumer located outside the geographic boundary of the producing country.

The manufactured products can be sold directly to a design house or to a retail brand or even to a wholesaling company established abroad. When the exporter does not have direct contact in the foreign markets, it can function through an agency called a Buying house.



An exporter is able to competitively sell the garments in the international market if the following factors are in his favour:

- ❖ Availability of skilled labour.
- ❖ Lower labour cost.
- ❖ Vicinity and access to raw materials.
- ❖ Availability of infrastructure for manufacturing and exporting.
- ❖ Export friendly government norms and policies.



*Fig 48: Production of garments in an export house.
Source: Dhruv Globals export house*

3.2.1 Advantages of Exporting

There are several benefits for exporting for the companies who pursue the challenge of selling their products in foreign markets.

- ❖ Exporting expands the customer base, implies greater sales, which translates to higher profit for the company.
- ❖ Exporting diversifies risk, creates new financing opportunities, and opens the way for further prospective business growth.
- ❖ Since most of the countries have strict quality norms, manufacturing for them trains the labour to create a better quality and finished product.

3.2.2 Disadvantages of Exporting

Exporting is not without any challenges, as with any business opportunity.

- ❖ Difficulty in understanding foreign business practices.
- ❖ Differences in product standards and consumer standards in foreign countries can make exported products unsuitable. For example garments made out of tie and dye fabrics may inherently not have good color fastness. Such products may not be suitable for a brand with astringent quality norms it may follow to meet its consumer standards.
- ❖ Receiving payment for goods could turn problematic.
- ❖ Difficulty in obtaining sufficient representation in foreign markets.
- ❖ Steep budgets may be required for foreign travel.

3.2.3 Advantages of working with domestic manufacturers:

- ❖ Faster Delivery.
- ❖ Vicinity can result in delivery of proven specification of merchandise.
- ❖ Availability of merchandise in selected quantities.
- ❖ Possibility of faster re-orders.
- ❖ Responsibility of merchandise received.
- ❖ Ability to test selling rate.
- ❖ Planning and control of stock are comparatively easy.
- ❖ Permits faster stock adjustments to new trends.

3.2.4 Disadvantages of working with domestic manufacturers:

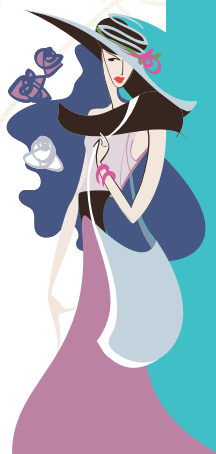
- ❖ Price competitiveness may not be achieved due to higher labour costs.
- ❖ Product may lack variety.
- ❖ Produced goods may lack exclusivity.

The markets in general are moving towards a global platform and hence it is the need of the hour for a brand to keep reinventing its strategies to keep abreast with the latest changes in the economies, government rules and policies to be able to serve its consumer with utmost satisfaction.

3.3 Retail house / Retailer

A Retail house is a national or international brand that sells to final customers, who actually use the products or derive personal benefits from their service. A retailer could be an Indian brand or an International brand retailing in India.

Major manufactures and designers have now set up their own international chains of



retail stores in major metros of the world. Ralph Lauren, Nike and Zara are some of the examples of such stores.



Fig 49: Nike store, Florida



Fig 50: Ralph Lauren flagship store by Michael Neumann Architecture, Stockholm



Fig 51: Zara store

In India there has been a constant influx of international brands from past few years trying to woo and capture the attention of Indian consumer. Some factors stimulating globalization in retail sector has been:

- ❖ Stagnancy of Domestic Markets in West: Most large retailers have saturated their domestic markets. Opening additional stores in such countries result in limited additional sales. Thus, retailers look for growth opportunities in international markets.
- ❖ Skills and Systems: Retail firms are better prepared with international

knowledge and have experienced to effectively manage stores in non-domestic markets. To facilitate global sourcing of merchandise, retailers operate global information and distribution systems.

- ❖ Relaxation of Trade Barriers: The relaxation of trade barriers makes global expansion easier. With India opening up its economy to foreign investments, an exponential growth is currently being seen in this sector.

At the same time, manufacturers and designers can also market their wares through leading Department Store networks. However, the leading designers and design houses can be very selective about the outlets they select for distribution in order to maintain the exclusivity of their products.

3.4 Buying House

A buying house is an agency that works like an inter mediator between the retail brand abroad and the manufacturing unit in the country from where the garments are being sourced.

When the exporter does not have direct contact with the brand in a foreign market, it can function through an agency called a Buying house. Similarly, if a brand needs to off-shore its garment production from another country, it requires an efficient team to find the suitable vendor resource, manage sampling, production along with understanding the regional sensibilities of the country and its working systems.

A Buying house can be an agent who has different retail brands from various parts of the world as its clients. For Example there can be a buying house in India with its head office in New Delhi having clients like Zara, Mango, Espirit, Etam and so on. This buying house will have different teams assigned to individual client. Each client may be charged on commission basis. On the other hand, there may be a big international retail chain of apparels that may set up its own office in India to source from the country. This buying house will source apparel only for the brands that its parent retail company represents.

3.4.1 Functions of a Buying House:

- ❖ A buying house acts as a booster in the communication channel intermediating between the exporter office and the brand Office: Since the regional sensibilities of the two countries may be different with some language barriers, buying office merchandisers take directional information from the brand abroad and in return communicate status on sampling, production, quality, shipment etc.
- ❖ Buying house merchandisers work towards getting inspirational samples from the vendor base for the brand designers.

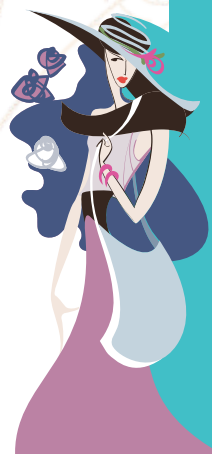




Fig 52: A Buying house team, Source: Triburg

This helps the designer to build a pool of information to design next season's styles.

- ❖ Negotiation on cost and shipment delivery dates is carried forward by the buying office merchandisers.
- ❖ Buying house team acts like eyes and ears to the brand office, since the members cannot be physically present to inspect, audit or control production shipment.

3.5 Apparel Manufacturing- An Overview

The garment industry is characterized by manufacturing firms of varied sizes. Unlike, manufacturers in other industries, even the largest apparel manufacturer may not have the machinery to create all the operations that makes a garment. It is also seen commonly, that the largest apparel manufacturers may not own the factories where their products are actually made. Most manufacturers use specialized sewing contractors to construct all or some parts of the garments, they produce. Commonly contracted for process of button-holing, embroidery, garment printing etc.

Actually, almost all phases of product development, production and selling can be contracted to outside firms. This saves smaller manufacturer from making large investments in machinery and other factory facilities. This may further, benefit the apparel firm with more flexibility in product styling and may lead to innovative product concepts. Since, the small manufacturer does not have to bear for large number of factory machines in order to keep them occupied it can address to changing

trends at a faster pace. Small firms often cater to group of retailers who want exclusive, more expensive styling with less number of units to be produced.

During past two decades many small apparel manufacturers have developed large businesses and hence have invested in infrastructure, bringing in different phases of product development, production, marketing and distribution. These large firms may have the capacity and capability to produce mens, womens and childrens apparel.

The advantage of being a large firm could be better control over fabric suppliers for better delivery date, fabric options, price and exclusivity. Larger firms have well established credit ratings that facilitate in ordering of fabric stock. Managing a lot of operations under owned facilities can result faster production rate required to deliver big orders.

Large manufacturers may face several disadvantages in spite of better control over internal operations. The firm should ensure flexibility in styling and not get completely engrossed in improving the production aspect of the business neglecting changing styles that may have caught as a trend. Failing which, the manufacturer may have great deal of unwanted merchandise in the production pipeline. The retailer may charge manufacturer for reductions on the merchandise or for return of the merchandise. Several seasons of erroneous styling may have fatal impact for any size of manufacturer.

It is hence imperative for a manufacturer of any size to have complete market knowledge along with having efficient production, management and marketing systems.

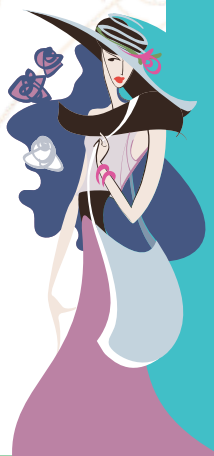
3.5.1 Steps in Apparel Manufacturing

Apparel manufacturing is a series of steps which may vary slightly from one firm to another. Each part of the process impacts the quality of the resultant finished garment.

Garment production starts with:

A. Evaluation and Research:

- ❖ Previous season's sale is analyzed.
- ❖ Analysis of Customer returns is conducted to understand the flaws.
- ❖ Competitor comparison study is conducted.
- ❖ Market research undertaken to understand customers need wants and demands.
- ❖ Trend Identification is imperative to formulate development plan, to ensure that new lines reflect forecasted color, silhouette, style and detail.



Designers or merchandisers travel to places like Europe and New York to view designer collections, survey the fashion centres and find their collections of observations.

Some companies have internal resource of designers or merchandisers who are responsible for constantly updating trend information. Other firms may consultant a fashion forecasting agency to provide the information.

Trade Publications as well as consumer fashion magazines are great sources to keep the fashion professionals abreast with the trends and forecasts.

B. Design Development:

The process includes

◆ Line development:

A line or a collection is group of related designs produced by a designer for a particular season. Sometimes a line may be sub divided into smaller groups of garments co-ordinated together with theme, color, silhouette or other fabric or garment detailing.

The designer may create the first pattern or a drape of the designed style. Every style is identified with a unique style number assigned to it.

The pattern is then traced on the fabric, cut and stitched to check for correct styling and garment details.

The next step is to generate tech-packs for each designed style, which gives the technical details related to the style in order to be constructed. The information includes required fabric quality, fabric details, garment measurement, trim details and finishing details. The tech-packs also informs about the color combinations in which the style may be required.

The information is used to create the first sample prototype. The prototypes may be developed in varied color combinations. An average size is used to develop the sample. The sample thus produced is costed. If a manufacturer is working for a retail brand having its own

design team, then the design team may create its own tech- packs and may send to manufacturer for developing prototype samples and hence quoting their cost. The manufacturer in this case can also be an exporter.

C. Line Review

In a line review the designers present the line to the buyers of the garment category, (e.g. womens wear) along with store and sale representatives of the retail firm. The promising styles in the chosen colors are selected to be carried forward for the production. The sales team along with buying team decides on the units on order per style. The costing of the style on order may be re-negotiated for production units. The garment order is placed with a manufacturer by writing a purchase order. Purchase Order states the number of units on order, color combination, size ratio with delivery date.

Spec Sheet – Boyfriend Blazer

Date:	18-Aug-2010	Revised Date:	
Style #	FA11-209	Season:	Fall 2011
Size Range:	XS-XL	Classification:	Women's
Label:	Urban Outfitters	Group Name:	
Description:	Velour "boyfriend" blazer with gold button metal closure		
Sample size:	Small		
DATE		18-Aug-2010	Front Sketch
		ORIGINAL	
		REQ	
POINT OF MEASURE			
1.	Center Front Length	26"	
2.	Center Back Length	25"	
3.	Side Length	16 1/4"	
4.	Chest Width Circumference TM	34"	
5.	Across Shoulder	15"	
6.	Across Chest	17 1/2"	
7.	Across Back	15"	
8.	Waist Width Circumference TM	33"	
9.	Bottom Hem Height	1"	
10.	Bottom Opening/Sweep TM	10"	
11.	Shoulder Drop from HPS	2 1/2"	
12.	Bicep (1" Down from Armhole) TM	12"	
13.	Armhole Width Circumference TM	16"	
14.	Sleeve Opening TM	10"	
15.	Neck Width (HPS to HPS)	15 1/2"	
16.	Front Neck Drop (HPS To Seam)	3 1/2"	
17.	Back Neck Drop (HPS to Seam)	1/2"	
18.	Lapel Width	2 1/2"	
19.	Collar Length (Point to Point)	16 1/2"	
20.	Collar Width (At CB)	2"	
21.	Collar Stand Height	2 1/4"	
22.	Bottom Pocket Placement from HPS	20 1/2"	
23.	Bottom Pocket Placement from CF	4"	
24.	Bottom Pocket Width	6 1/2"	
25.	Bottom Pocket Length	3/8"	
			Back Sketch

Fig 53 : Tech Pack sample

D. Pre-Production:

Pre-production steps consist of

- ❖ Manufacturer ordering fabric yardages, trims and packing material for bulk.
- ❖ Booking and planning of sewing and other machines for bulk production.
- ❖ Developing and approval of fit samples .The fit sample once approved in the average size becomes the production pattern.
- ❖ Pattern is graded in the size set in which the style is retailed to the final customer. (Grading the production pattern is increasing and decreasing the dimensions to reflect the various sizes to be produced).
- ❖ A marker is made for all sizes. A marker indicates how all the pattern pieces of the garment are arranged on the fabric to achieve the most efficient layout. The goal is tight marker that uses the fabric most efficiently.
- ❖ Pre-production stage involves fabric and garment testing and approvals. This is to ensure, that the garment produced meets the accepted quality standards of the brand.

E. Production: Production steps consist of-

- ❖ Receiving and checking fabric for any defects.
- ❖ Fabric spreading, which is laying multiple layers of cloth on a table to make a pile before the process of cutting. Like marker making spreading is a key factor in saving fabric and thus lowering down garment cost.



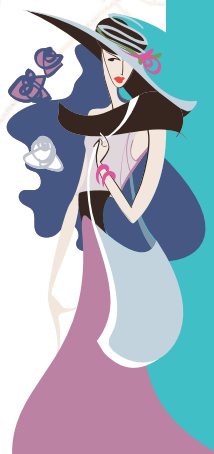
Fig 54: Fabric Cutting in an export house

- ❖ Cutting is carried on the laid fabric layers. The quality of manual cutting affects the quality of garment even before it is sewn. It is one of the production processes that is performed on many garments simultaneously. If the garment needs any embroidery or other surface treatment it is most commonly done at this stage.
- ❖ Bundling is carried forward on the fabric cut pieces of the garment components. The bundles are made in such a way that all the pieces of one component of garment are tied together. These bundles are then given to the sewing operators who first stitch individual garment components, which are later assembled together in the assembly line of the sewing machines.



Fig 55: Fabric bundling

- ❖ Stitching involves constructing of the garment. There may be multiple steps of stitching individual garment components and then stitching them together to create a complete garment piece. Regular quality checks and audits are carried forward to ensure garment stitching is of expected standards of quality.
- ❖ Trimming of loose threads protruding out of stitches.
- ❖ Stain removal with stain guns carrying solvents is used to clean any visible stain on the garment before it goes for steaming or ironing.
- ❖ Pressing and finishing of stitched garments ensures that there are no unwanted creases and the garments are folded as per the instructions. The garments can be flat folded and packed in a carton or hanger packed.



F. Final Audit

Final audit or inspection is carried forward on the ready production for checking product quality and for folded and packed quantity accuracy. The audit team may be the employees of any hired audit agency, quality assurance employees of the buying house or the quality assurance employees of the retail house. Using statistical sampling it is determined whether or not the acceptable quality level (AQL) has been met. If the produced garments fail AQL then all the pieces of the shipment are checked and repairs are made by the manufacturer.

3.6 Understanding the role of fashion professionals: Designer, Stylist and Merchandiser

The Fashion industry involves a multitude of activities to create products that have their basis in the inherent nature of the human beings who like to enhance and project their personalities in the social scenario. Every human being wants to project a certain image for which he/she wears specific and special clothes for special occasions and uses complimentary accessories to enhance the effect we want to create. Therefore the creation of any fashion product involves a series of steps from the initial market research or the concept, development of a prototype, the sourcing of appropriate elements that will complete the product, its production or fabrication and finally its marketing. Each step requires professional expertise, a general understanding of the entire chain of events coupled with high level of expertise in the specific step being handled by the professional, and their teamwork. Each step may be carried out by a core team of experts, with the work of all the teams being coordinated to produce the final result.

3.6.1 Role of a designer:

The initial concept and design is created by the designer, who also needs to have an understanding of the commercial and sale-ability aspect of the proposed product, and the knowledge about the components including the fabric, colors, and trims that can be viably sourced to create the garment or product. A design team would usually have a head designer who is expected to understand the image of the company, and expand it as per his/her creative vision. In certain cases the designer may also be the company owner, or a free-lance design consultant. The designs should be ready several months in advance of the seasonal marketing period. This allows for enough lead time from the point of placement of the order by buyers, fabric procurement, production process and shipping of finished garments. Usually fashion is an evolutionary process where each season's collections would take into consideration the bestsellers of the past seasons and further upgrade their latest styles.

It is important to understand that the responsibility of the designer is not merely to design on paper but also to keep in mind the company's price range and the range of merchandise. She/he would also be responsible for the selection of fabrics, cost and availability of all materials including trims, thread, closures, embroidery, production techniques, cost of labour, and of course the company's image. Therefore the balance between creativity and business considerations becomes the responsibility of the designer.



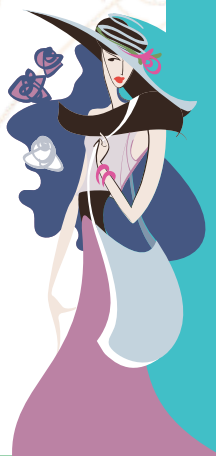
After the designer conceptualizes, the next step undertaken is to make the paper pattern which is used to cut and sew the first sample of the sketch called the prototype. This becomes the first sample garment. The pattern is made on an average sample size. The patternmaker can choose the optional methods of draping, flat pattern or computer generated patterns.

The draping method is used to cut and shape muslin on a dress-form to make the first toile. Draping as a method lends itself well to soft flowing designs, particularly for formal and couture dresses.

After the first prototype is finalized for production the designer moves on to create the next collection.

3.6.2 Role of a Merchandiser:

It is imperative for a merchandiser to understand the final requirement of the product so that they can work with textile and other producers to ensure that the correct fabric and surface embellishing techniques can be developed or sourced along with trims and accessories that may be required to complete the garment. It is the duty of the merchandiser to co-ordinate the process of garment manufacturing and production. This production is required not only at the most economical cost, but also with a good quality standard within the time frame allotted. His role may start from the process of prototype



finalization, moving on to pattern making and production. Thus, the ultimate goal is being the product reaching its target buyer in time. Packaging and marketing are also crucial elements in the whole process as these are the final critical elements in the successful creation, launch and acceptance of a fashion line by society.

Hence, a merchandiser's role may extend in multitude directions like -

- ❖ Coordinator of all production activities.
- ❖ Correspondence with raw material suppliers, trims suppliers and buying agencies.
- ❖ He could undertake the role of product development, sampling, costing, negotiations, planning delivery schedules; production planning, fabric and trim orders, and regular order follow up.
- ❖ A merchandiser is hence directly responsible for the merchandise being produced.
- ❖ The merchandiser ensures timely inspections and quality levels of the garment order that he/she may be supervising.

3.6.3 Role of a Stylist:

A stylist must have the capacity to fully understand what is required to be created out of the concept; and the needs of the target buyer group, so that they can carry out the next step of putting the garments together with the correct accessories and make up to meet the expectations of the targeted consumer group.

A stylist's job description may vary greatly depending on the assignment. Stylists in the editorial and celebrity fields work primarily with designer samples, which are shown during fashion presentations and are lent to members of the fashion press during the 4-6 months before retail sales begin. High-level stylists may collaborate directly with designers to produce custom clothing for celebrity clients or editorials; this is common for celebrity stylists whose clients attend awards shows, and for fashion editors at top magazines. Stylists may also provide services such as personal shopping, restructuring a client's entire wardrobe, reorganizing a client's closet, or other duties relating to the client's personal lifestyle.

A wardrobe stylist is distinct from a costume designer, the person who clothes fictional characters in film, television or theater. A wardrobe stylist is also different from an image consultant or a color consultant. A person can be a color consultant without knowing basic principles of line or style. An image

consultant is an expert in both color and line and may work with business professionals or individuals, as opposed to celebrities in particular.

Each stage of this complex process of the creation of a fashion line is critically interdependent with the others, and a high level of creativity, consistency, quality control, commitment and understanding of the creative as well as the commercial nuances makes all the difference between a success story, and an indifferent fashion line. This makes the role of all the individuals involved in the process vital to the success of the production chain or creation of a brand.

Summary:

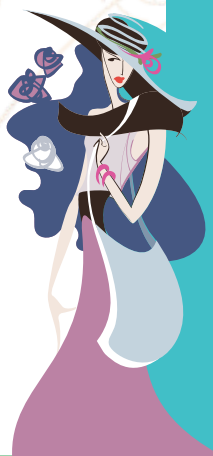
There are varied aspects of fashion business. Apparel sectors can broadly be divided into exports, retail, or buying. Each sector has its own inherent functions, advantages and disadvantages.

Apparel manufacturing follows a series of processes in order to produce a garment void of any defects.

Fashion professionals like designers, stylists and merchandisers are involved in multitude activities that are specific to their area of expertise and job functions. Since, each stage of creation of fashion line is critically interdependent with others, the role of every individual involved in the process is vital for the success of the overall production chain.

Glossary:

- ❖ **Assembly Line:** Set up of machinery in the formation of a line on the production floor, so that multiple people work on the same garment component, which is further combined with its other components to make a complete garment.
- ❖ **Colourfastness:** The durability of a colour on the garments.
- ❖ **Department Stores:** A store which sells different product categories under the same roof for example, garments, accessories, groceries, cosmetics etc.
- ❖ **Size Ratio:** The ratio of garment pieces to be manufactured for sizes like S, M, L, XL (1 XS : 1S; 2M, 2L, 1XL).
- ❖ **Stylist:** One who advises concerning styles in clothes, furnishings and the like.
- ❖ **Apparel manufacturer:** A firm that buys fabrics and does the designing, pattern-making, grading, cutting, sewing, and assembling of garments in factories that they own.
- ❖ **Apparel:** An all - embracing term that applies to men's, women's and children's clothing.
- ❖ **Brand:** A trade name or symbol that distinguishes a product as that of a particular manufacturer or distributor.



- ❖ **Buyer:** One who is responsible for the selection and purchase of merchandise.
- ❖ **Buying House:** An agency that works like an inter mediator between the retail brand abroad and the manufacturing unit in the country from where the garments are being sourced.
- ❖ **Collection:** A group of designs or styles developed for a particular season.
- ❖ **Consumer:** The ultimate user of the goods or services.
- ❖ **Designer:** One who creates design concepts based on trends.
- ❖ **Domestic market:** A market in the city or country of the manufacturer.
- ❖ **Export House:** An apparel manufacturing firm that provides a worldwide service of producing products that are sold outside the geographic boundary of the country in which it exists.
- ❖ **Exporting:** Selling the goods out of the producing country.
- ❖ **Line development:** A group of related designs produced by a designer for a particular season.
- ❖ **Line Review:** A meeting in which the designers present the line to the buyers of the garment category, along with store and sale representatives of the retail firm.
- ❖ **Market:** A place where a buyer and a seller meet.
- ❖ **Marketing:** The process of buying and selling a product.
- ❖ **Mass production:** The production of goods in large quantity.
- ❖ **Merchandiser:** One who co-ordinate the process of garment manufacturing
- ❖ **Merchandising:** The activity of buying and selling.
- ❖ **Product Developer:** A person employed by retailers to create private label merchandise for their exclusive range.
- ❖ **Prototype:** The first sample of the sketch.
- ❖ **Psychographics:** The study of people's attitudes and values.
- ❖ **Reorder Number:** A style which is repeat orders by the buyer.
- ❖ **Retail House:** A national or international brand that sells to final customers who actually use the products or derive personal benefits from their service.
- ❖ **Sample:** The model of a garment.
- ❖ **Silhouette:** The contour of a garment.
- ❖ **Style Number:** A unique number given to a particular style of a garment by a manufacturer.
- ❖ **Wardrobe Stylist:** One who clothes fictional characters in film, television or theater.

Question Bank:

- Q1. What is an export house; define its roles and responsibilities.
- Q2. What are the advantages and disadvantages of exporting?
- Q3. What is a retail house, explain?
- Q4. What are a buying house and its role in the fashion industry?
- Q5. Write a short note on Apparel manufacturer and its role.
- Q6. Define Line Review in apparel manufacturing.
- Q7. Write a short note on design development in an apparel firm.
- Q8. Write a short note on the role of a designer in a fashion firm.
- Q9. Write a short note on the role of a merchandiser in a fashion firm.
- Q10. Write a short note on the role of a stylist in a fashion firm.