CHAPTER 1

THE FASHION INDUSTRY

LESSONS

1.1 FASHION MARKETING BASICS
1.2 THE NEXT HOT ITEM
1.3 CAPITALIZING ON STYLE
1.4 BEATING THE COMPETITION
POLO RALPH LAUREN

The timeless image projected by Polo Ralph Lauren Corporation has always dominated its distinctive line of apparel, fragrance, accessories, and home products. Polo Ralph Lauren markets a line of fresh, aristocratic clothing evoking a look of old wealth living on country estates. The company has an uncommon approach to marketing that promotes a consistent image as well as fashions.

The unique marketing technique has propelled Polo Ralph Lauren into a major corporation in the fashion industry. Founded in 1968 by Ralph Lauren, the company designs, markets, and distributes fashions internationally. International licensing partners operate Polo stores in more than 60 countries. Polo’s long-term growth strategies include:

• continuing to expand globally, especially in Japan and Europe
• adding brands that address new customer groups
• opening more of its own specialty stores
• improving the margin of profit.

Ralph Lauren has been the driving force in developing a company that casually dresses people who work or want to work in corporate businesses, rather than the world’s elite. Born in Bronx, New York, as Ralph Lifshitz, he changed his name and started the company with a small loan. The Polo look has always been preppy and casual and has appealed to those on the way up the corporate ladder.

THINK CRITICALLY

1. Discuss why Polo Ralph Lauren has been popular for more than 30 years.
2. Why would Polo Ralph Lauren market an image as well as fashions?
Fashion retailers make decisions about what image they will project to consumers. The combination of clothing and accessories, the price lines and brands, and the way garments are displayed, advertised, and delivered to consumers are all a mix of marketing elements that contribute to the identity of a store. The mix of the marketing elements may be focused on a specific customer group.

Nordstrom is a chain of 75 department stores known for catering to its customer with tuxedoed pianists entertaining shoppers. When sales began to sag, Nordstrom tried changing its image and launched a $40 million “Reinvent Yourself” promotional campaign. Additionally, the store changed about one-third of its women’s clothing lines to brands that appealed to young, hip consumers and began playing hip-hop music. The changes made long-time customers unhappy and did not quickly attract the hoped-for new customers.

Work with a group. Choose two department stores with which you are familiar. Make a list of characteristics that are different about the two stores. Then make a list of characteristics that are similar. Discuss differences in their targeted customer groups.

### Goals

**Describe the basic concepts of fashion marketing.**

**Define the seven key marketing functions.**

### Marketing Concepts

Fashion marketing has glamour and mystique about it that may trick some people into thinking it has its own set of rules. In reality, fashion marketing follows the same rules as marketing for any other product.

### What is Fashion Marketing?

Fashion marketing is an important business function of the fashion industry that includes planning, pricing, promoting, and selling fashion products. The American Marketing Association defines marketing as “planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.”
Fashions provide more than just the basic human need of clothing and home furnishings. Fashions fulfill a need to reflect an image of one’s self to the world. By combining the basic marketing elements, fashion marketing helps people clarify their own image and makes a profit for those engaged in the business. The marketing mix is how the basic elements—product, price, promotion, and distribution—are combined to meet customer needs and wants.

**Product** is what a business offers customers to satisfy needs. Fashion products include suits, shirts, jeans, shoes, belts, purses, and home furnishings such as rugs and chairs.

**Price** is the amount that customers pay for products. The price of fashion products is dependent on the cost of producing the item, the markup (a percentage added to the cost to generate a profit), and the customer demand.

**Promotion** includes all of the ways a customer is encouraged to buy the product. Promotion includes advertising, publicity, personal selling, and public relations.

**Distribution** involves getting the product to the customer. It includes all of the steps from getting the raw material for fabric to the textile manufacturer to making a garment available to a customer.

**TRY IT ON**

What is marketing? What are the elements of the marketing mix?

Marketing is creating, pricing, promoting and distributing goods, like clothing, to sell them to satisfy customers as well as the business. The marketing mix elements are product, price, promotion, and distribution.

**KEY MARKETING FUNCTIONS**

One or more of seven key marketing functions takes place whenever a product is marketed. The seven key functions are marketing-information management, financing, product/service management, pricing, promotion, distribution, and selling.

**USING THE KEY MARKETING FUNCTIONS**

Marketing-Information Management involves gathering and using information about what consumers want. This information is critical to deciding how to make a product that will sell. Fashion changes from season to season and from year to year. Determining what will sell requires fashion marketers to keep in touch with their customers. They must decide far in advance on the design of a garment, acquire the fabric and other materials, produce the garment, sell it to retailers, and deliver it for customer viewing when the customer wants it and is ready to buy it.
Financing involves planning ways to cover the costs of successfully operating the business. This planning includes how to cover operating expenses while waiting for income from the first sales. A textile manufacturer may require payment for fabric when it is delivered to a fashion designer, which is long before the customer pays for the garment. The designer may need to borrow money and pay finance fees, which adds costs to the price of the final product. It takes careful budget planning to assure that the product is priced to cover all costs plus a profit and is what a customer is willing to pay.

Pricing is the process of setting the value or cost at the right level. The price of a fashion product is dependent on the cost of producing the item plus a profit. Customer demand must also adjust the price up or down. The price must cover all of the elements of the key marketing functions.

- The costs of gathering information about what customers want
- The costs of financing the business
- The costs of design, fabric, and construction to produce the product
- The costs of advertising and promotion
- The costs of moving the product to the consumer
- The costs of selling the product to the final consumer
- Some profit for all of the people involved in each of these steps to keep them interested in doing the work

Promotion is communicating with customers about the product to achieve the desired result—customer demand for and purchase of the product. The types of promotion can be categorized as advertising, personal selling, publicity, and public relations. Fashion marketers create an image of who wears a brand of clothing through promotion. Using entertainers to advertise a brand leads consumers to believe they can be like the entertainer if they wear that brand.

Product/Service Management is designing, producing, maintaining, improving, and/or acquiring products or services to meet customer needs. With information about what customers want and financing to make it happen, fashion marketers can start to work on the product. Designer R. Scott French used high-priced lingerie as the inspiration for his line of moderate-priced lingerie. He used quality construction and fabrics to create a line of trendy lingerie, serving customers seeking a novel item at a more affordable price. He turned an idea into a product line that succeeded.

Distribution involves moving the product each step from the design idea to the hands of the consumer. The number of businesses involved
in the actual planning and movement of the
product is a major factor in the final price.
The channels of distribution can include in-
termediaries who help a designer or manu-
facturer get the product into retail stores.
Distribution also includes the actual trans-
portation of the product—for example, by
truck or by air.

Selling assists the customer in identify-
ing and satisfying a want or a need. Selling
helps the customer understand the benefits
of quality. For example, if customers buy
only the lowest-priced garment, they may
find that the garment does not last. They
may spend time and money purchasing
again, sooner than expected. If they are
aware that another, more expensive gar-
ment will retain its shape or color through
repeated wearing and cleaning, it might be
the most cost-effective purchase.

USING THE BASICS
The seven key functions—marketing-
information management, financing, prod-
uct/service management, pricing, promo-
tion, distribution, and selling—are basic to
all marketing. When applied to fashion
marketing, they provide a foundation on
which to develop a fashion business. De-
veloping a strong knowledge of how to in-
terconnect all seven functions is an
expectation for all successful fashion mar-
keting careers. A designer who does not
understand the key functions will need to
learn them or partner with someone who
does. Business managers must understand
and use the key functions in a way to
please customers and make a profit, or the
business will struggle to exist.

TRY IT ON
Name three of the key marketing functions. Give a fashion
marketing example of each.

Answers will vary. Possible answers include:
Marketing-Information Management—
gather customer data about trends. Finance—plan to cover operating expenses, before
sales happen. Product/Service Management—develop a new fall collection of garments.

Cyber Marketing
Do students think JCPenney has
a leading-edge image? Would
they think to look for innovation on
its web site?

Think Critically
1. Answers will vary, but JCPen-
ney indicates that customers were
not using the feature.
2. Answers will vary. Visit the web
site to see.

TEACH
Distribution means having your
product in the right place at the
right time. Getting shipments of
bathing suits in June and July is
usually after the peak of the sea-
son. Ask students for other exam-
pies.

Manufacturers have salespeople
who work with retail buyers to
help them make the right selec-
tions for their customers. Addition-
ally, they sometimes send
representatives to work with retail
salespeople to increase their prod-
uct knowledge.

Many young people think that they
can succeed in the fashion indus-
try without having a working
knowledge of all the marketing
functions. They believe they can
focus on the parts they like and
ignore the rest. Explain that they
will have to pay someone else to
run that part of their business and
will, consequently, give up some
control of the business.

Ongoing Assessment
Use the Try It On as an opportu-
nity to conduct ongoing assess-
ment of student comprehension of
the lesson material.
TEACHING STRATEGIES
Limited-English-Proficiency
Students
Provide students with translations of key terms before presenting each of the seven marketing functions. Provide posters that reinforce concepts in English and other dominant languages.

TEACHING STRATEGIES
Tactile Learners
Allow students to use the Internet to locate information about marketing-information management, such as statistics about teen fashion purchasing. This information will help convey the use of data.

ASSESS
Reteach
In pairs, have students name the four elements of the marketing mix. Ask students to talk about how the four elements come together before a customer buys.

Enrich
Ask students to prepare an electronic presentation that highlights a fashion example of each of the seven marketing functions.

CLOSE
Ask students to make a list of any new information they learned from this chapter. Additionally, ask them to make a separate list of information covered in the chapter that they already knew.

UNDERSTAND MARKETING CONCEPTS
Circle the best answer for each of the following questions.

1. Marketing, as a business function, is
   a. encouraging customers to purchase products.
   b. another term for grocery shopping.
   c. creating and maintaining satisfying exchange relationships.
   d. none of the above.

2. The elements of the marketing mix are
   a. purchasing, distribution, financing, and price.
   b. product, price, promotion, and distribution.
   c. purchasing, planning, advertising, and distribution.
   d. planning, distribution, price, and advertising.

THINK CRITICALLY
Answer the following questions as completely as possible. If necessary, use a separate sheet of paper.

3. Communication
   Think of a recent fashion purchase you made. Imagine how the seven key marketing functions were involved in getting the item to you, and write a narrative describing their role.
   Answers will vary but should connect any fashion product with each of the seven functions: marketing-information management, financing, product/service management, pricing, promotion, distribution, and selling.

4. You have been hired to help a designer market formal wear for teens. Use all of the marketing mix elements to briefly describe what you would do.
   Answers will vary but should include: determine the price based on costs and markup, develop a promotional plan directed toward teen consumers and retailers who sell to teens, and determine how to get the product to the retailers.
Fashion reflects the economy and attitude of consumers and, at the same time, intrigues and appeals to consumers. If you are observant, you might notice people at a concert or an airport and realize that there is similarity in the clothing of many people—especially people of the same age or status. You may see similarity in the shape of their shoes or the length or cut of their pants. You are observing a phase of the fashion cycle—the time from when a style is introduced until it is no longer purchased.

**THE PHASES**

Fashions have a life cycle that most simply can be described as having three phases: introductory, peak, and decline.

**THE INTRODUCTORY PHASE**

Many fashion retailers will herald the new season of clothing as fresh and innovative, something that the consumer would be foolish to miss. The sellers wish to create excitement through promotion of the fashions. Journalists and celebrities are invited to special shows to introduce the next season’s collection. Trend setters are usually already wearing the garments.

**THE PEAK PHASE**

The peak phase describes the time during which sales of the items to the consumer are at the highest level. The target market is generally wearing the item. A target market refers to a specific audience of people—for example, all of the people in the United States ages 13 to 18 years. This phase is maintained by advertising and promotion to keep the item “in fashion.”

**THE DECLINE PHASE**

This phase is characterized by a decrease in demand for the items. Sales continue, but the interest in the item has waned. The item will likely be sold out shortly.

Rarely are fashion items totally new. Most fashions are a version of garments from the past. The silhouette or the outline of an outfit has characteristics taken from a previous time period. During the twentieth century, silhouettes were repeated about every 25 to 30 years. For example, hemlines on women’s skirts and dresses were at knee length and above in the 1930s, the 1960s, and again in the 1990s. This cycle seems to be shortening and blurring in the 2000s. Many silhouettes are seen as “in fashion” all at once. The cycle has hit a new phase of confusion. The trend of casual work clothing that swept through the 1990s added to the confusion about what was “in.” As people again began to wear more serious attire to work in the 2000s, styles have started to refocus.

Work with a partner. Discuss other reasons why fashions might lack a focus in the early years of the twenty-first century.

Describe the stages of the fashion cycle.

Analyze the relationship between today’s fashions and the history of fashion.
does not mean that every single person in this group is wearing the item, but it does mean that you will frequently observe members of the target group wearing the item. Trend setters have generally moved on to newer items.

The decline phase of a fashion item occurs when the masses have tired of the item and are no longer buying it. People may continue to wear the item, but the retail stores begin to lower the price to a level that will squeeze out the last possible sales. Remaining garments are finally sold in bulk to stores that sell closeout fashions. Eventually the item is no longer available.

STYLE MATTERS

The length of time an item stays in one of the three phases is dependent on the style.

Fads are those items that quickly move through the three phases and disappear from the fashion scene. Fads generally are outlandish in style or color and do not appeal to the real trend setters.

Classics last many decades. A classic style is timeless, meaning it is flattering to the wearer and is not easily dated as to when it was purchased. Classics are not outlandish in style or color, but are subtle and refined. Classics have a style that is appreciated over many years.

TRY IT ON

What is the difference between a fad and a classic item of clothing?

A fad item moves through the fashion cycle very quickly. A classic is timeless and frequently returns to popularity.

RETRO FASHIONS

When the President of Afghanistan, Hamid Karzai, made his first world tour during the U.S. war against terrorism, he wore an ankle-length overgarment called a chapan with a skin hat called a karakul. Both are traditional northern Afghan apparel. Under the chapan, he wore a single-breasted black suit jacket over a traditional southern Afghan knee-length shirt with a banded collar and loose-fitting trousers. His outfit reflected tradition, history, and the presence of a leader. Karzai made a striking appearance and succeeded in making an excellent first impression on a watchful world.
STYLE
Hamid Karzai has style. He successfully mixed Middle Eastern, Western contemporary, and historical styles. About 30 years ago, John Fairchild, publisher of Women’s Wear Daily, was quoted in the Dallas Times Herald as stating that “style is an expression of individualism mixed with charisma. Fashion is something that comes after style.” The prevailing style may define what is fashionable at a specific time and place, with some styles lasting as classics.

REFLECTIONS
Historically, what people wear has reflected the general economic health and attitudes of the United States and other Western civilizations. When the economy is good and people feel secure, people wear brighter, more casual clothes. When the economy is weak or there is world tension, people tend to wear more serious clothing. After the terrorist attacks on September 11, 2001, Calvin Klein showed a totally black collection that was criticized for being too somber. Other designers such as R. Scott French were successful at the same time with a much lighter look that said, “Let’s move on.”

Designers whose Spring 2002 collections were presented prior to September 11, 2001, became symbols of self-centered excess that permeated the industry. After the tragic events, the luxurious designer fashions seemed too excessive for the times. For the next six months, consumers were confused and not buying what was offered. As time passed and the economy improved, so did high fashion sales.

FASHION INFLUENCE
The influence of designers as the authorities of fashion has passed into history. Today, what customers will buy is influenced by what they have read and seen other people wear or not wear.

TRY IT ON
What events or attitudes might influence the direction of fashion?
Answers will vary but could include economic, social, or political events.

FASHION FLASHBACK
In October 2001, Marshall Field’s celebrated the return of the “28 Shop” within its flagship department store in Chicago. Marshall Field’s originally introduced the “28 Shop” in the 1940s. The exclusive, special-occasion shop was accessed through the 28 East Washington Street entrance via an elevator lined with velvet benches. Wealthy customers were shown evening gowns while seated in one of 28 individual, elegant dressing rooms designed by a movie set designer. A butler and hostess catered to customers’ every need.

THINK CRITICALLY
1. What image does the 28 Shop project of shopping in the 1940s?
2. Do you think this shop had mass appeal? Why or why not?
UNDERSTAND MARKETING CONCEPTS
Circle the best answer for each of the following questions.

1. The three phases of a fashion cycle include c
   a. design, construction, and distribution.
   b. price, product, and promotion.
   c. introductory, peak, and decline.
   d. none of the above.

2. Generally, the colors and styles worn by people in the United States reflect a
   a. economic conditions and attitudes.
   b. what is on sale.
   c. their age and income.
   d. what they think looks good on them.

THINK CRITICALLY
Answer the following questions as completely as possible. If necessary, use a separate sheet of paper.

3. Why does the clothing worn by leaders influence public opinion regarding their ability to serve?
   Answers will vary. People are influenced by the appearance and dress of others and expect leaders to dress in a specific way.

4. Communication Write a short paragraph about why a classic style has a long life cycle and continually returns to popularity.
   Answers will vary. A classic is not extreme and has wide appeal. It looks good on a large number of people, not just on fashion models.

1 THE FASHION INDUSTRY

ASSESS
Reteach
Write the terms “fashion cycle” and “target market” on the chalkboard. Ask the students to define them and discuss their meanings as related to fashion marketing.

Enrich
Ask students to make a presentation to the class relating one of the seven marketing functions to each of the stages of the fashion cycle. Explain how they relate to each other.

CLOSE
In pairs, have students develop a poster that depicts the fashion cycle of an item they select.
Making the Right Selection

Each season, there are thousands of fabrics made into thousands of apparel items from which to choose. Selecting the right items from the right supplier at the right price requires knowing what customers want and adjusting to those wants. By making these selections, a retail store defines the repeat customer it wants to attract.

Categorizing the Goods

Product mix refers to all the products an organization sells. In fashion marketing, the product mix is the combination of styles, product classifications, and price lines created by a designer or carried by a retail store.

Retail stores can be categorized by the items they carry and customers they target. There are five predominant types of fashion retailers in the United States: department stores, discount stores, off-price stores, chain stores, and boutiques.

Department stores, such as Dillard’s, Nordstrom, and Macy’s, offer a variety of merchandise besides fashion items. The four largest department stores in the United States are Sears, JCPenney, Federated Department Stores, and May Department Stores. Each of these chains has an image that is projected by its product mix of items predominantly sold at the store.

Discount stores, such as Target® and Kmart, offer clothing that is low priced. Discount stores are one of the fastest-growing areas of retailing.
Off-price stores, such as T.J. Maxx® and Marshall, offer irregular or closeout fashions at 20 to 80 percent off first-quality prices. The off-price industry accounts for hundreds of millions of dollars a year in retail sales.

Chain stores, like Talbot and The Limited, can be found in most malls throughout the United States. They offer a consistent line of products to a target customer.

Boutiques, such as Tootsie’s, a fine women’s specialty store located in major cities such as Houston and Atlanta, are smaller stores with a specific customer in mind.

Classifying a Collection

In addition to style, the function or the occasion for which garments are intended to be worn can be used to categorize them. Examples of such classifications are sportswear, activewear, and careerwear as well as eveningwear and wedding apparel.

Sportswear can include items worn for work or play. For men, it can include sportcoats or jeans, but it is generally...
considered a casual version of the garment. This uniquely American classification can be confusing since it generally does not refer to garments worn while participating in sports.

Activewear refers to apparel worn while taking an active part in a sport. Activewear includes clothing such as soccer uniforms or workout shorts and shirts.

Careerwear or business attire is generally traditional in design since it focuses on the workplace. In the 1990s, what was considered careerwear swung to a very casual interpretation, but began drifting back to a more traditional interpretation in the 2000s. Careerwear has a fashion cycle of its own, characterized as longer with more subtle, gradual changes.

Eveningwear has evolved to mean special occasion or formal wear, including cocktail, prom, or other formal-event apparel. The fabric and style of eveningwear are considered more elegant and formal than other classifications. Wedding apparel is related to eveningwear but includes wedding gowns, mother-of-the-bride dresses, and bridesmaid dresses, which are rarely worn more than once and are not appropriate for other events.

Other classifications include social apparel, lingerie, and accessories. Some garments defy classification because they can have multiple uses.

**Pricing It Right**

Deciding on styles and classifications of clothing to design or offer for sale is heavily influenced by the final sale price. A garment may be perfect, but if it costs too much for the target customer, it will not sell. Some of the factors included in the final price of a garment are the fabric, construction, distribution, promotion, and profit for those involved. Bringing together the right combination of product mix—style, classification, and price—makes for a successful collection and brings in customers to shop and buy.

The strong desire to own trendy fashions can cause some people to act unethically. During Spring 2001, bowling shoes by Prada, Kenneth Cole, and Camper were selling for $100 or more a pair, but many people in the under-age-30 crowd were not paying for the shoes. They were renting them at bowling alleys and never returning them. The Wall Street Journal quoted Melissa Scales, a staff assistant at the National Merit Scholarship Corporation in Evanston, Illinois, as saying “I don’t feel bad because I went to high school in that same town [where she took the shoes], and I probably gave them hundreds of my hard earned dollars. I felt like I deserved a pair of shoes.”

Nationwide, bowling alleys were losing hundreds of pairs of shoes each year, and the costs were being passed on to bowlers with higher prices per game.

**Think Critically**

1. Is failing to return rented bowling shoes stealing? Why or why not?
2. Do you think honest bowlers should have to pay for shoes stolen by others? Who should pay for the shoes? Discuss your opinion.

What must be considered in determining the final price of a garment?

The price of a garment must cover all costs of construction, distribution, promotion, and profit for those involved.

**Fashion Do’s and Don’ts**

A bowling alley outside of Boston reported to The Wall Street Journal that it has to order 50 new pairs of bowling shoes every four months to replace those that are stolen.

**Think Critically**

1. Yes, it is stealing.
2. Answers will vary.

**Ongoing Assessment**

Use the Try It On as an opportunity to conduct ongoing assessment of student comprehension of the lesson material.
UNDERSTAND MARKETING CONCEPTS
Circle the best answer for each of the following questions.

1. Product mix refers to _____
   a. encouraging customers to purchase products.
   b. the selection of styles, product classifications, and price lines.
   c. creating and maintaining designer collections.
   d. buying only designer apparel.

2. Some of the ways to classify garments by function include _____
   a. sportswear, activewear, eveningwear, and careerwear.
   b. retail, wholesale, designer, and fad.
   c. shoes, hats, coats, and gloves.
   d. denim, silk, cotton, and nylon.

THINK CRITICALLY
Answer the following questions as completely as possible. If necessary, use a separate sheet of paper.

3. **Research** Ask five other students to classify the clothing carried by three small chain stores in your area into one or more of the following: sportswear, activewear, careerwear, or eveningwear and wedding apparel. Is some stores’ merchandise more easily classified than others? Do some stores clearly target one or two classifications of apparel?
   Answers will vary.

4. **Why is it important for designers and retailers to understand who their customers are before deciding on a product mix?**
   The store must please the customers to encourage them to buy.
When a fashion collection hits the mark and is setting a trend, everyone knows it. A trend is when fashion takes a particular direction and the style is acknowledged as being right for the time. According to Linda Griffin, a fashion journalist, when a designer is showing a collection that is right, the audience is already wearing similar styles. This phenomenon happens when good designers know their customers.

Staying ahead of the flow of trend development is a never-ending job for designers and retailers, and it requires constant marketing-information management.

Providing what the customer wants means gathering and using information in a way that improves product offerings. Abercrombie & Fitch opened a new chain of stores called Hollister Co., which focused on 14- to 18-year-olds. Younger teens want fashions that are different from the college-age group targeted by the namesake stores. The new stores are in the same malls as the Abercrombie & Fitch stores, but they offer lower prices and have merchandise that the younger crowd wants.

A third store called abercrombie caters to 7- to 14-year-olds. Separating the merchandise by tighter age groups and price lines is intended to more precisely focus on trends in the product mix. The clothing is casual in all three stores, but the atmosphere and price lines are different.

Work with a group. Discuss the potential for damaging Abercrombie & Fitch’s business by siphoning customers to the lower-priced goods at Hollister Co. and abercrombie. How can Abercrombie & Fitch gather information about the likes and dislikes of 14- to 18-year-olds?
TRENDING THE TREND

Trends start in many different places. Fashion insiders seem to just know what is going to be "in," and they spread the word among themselves and those who track fashion trends. Trends can be very segmented and may only pertain to a specific market niche, such as an age group. Lerner New York is one of The Limited stores. Lerner targets a 33-year-old, working mother of two as its customer. The Lerner customer wants fashions very different from those of a high school student. Trying to sell both of these customers on the same trend could be a sales disaster.

RESEARCHING TRENDS

The fashion industry and those who monitor it spend much time and money trying to determine the next direction of the flow of trends. Information about what consumers want can be gathered in multiple ways, including interviews, visual surveys, and sales data collection. People who need to know about consumers spend time observing them where they work and play. Noting the colors, fabrics, and styles the trend setters are wearing hints at what people will want next. What celebrities wear is frequently seen as a gauge of what is to come. In the late 1990s and early 2000, celebrities were wearing outrageous costumes with maximum skin exposure. By early 2002, the trend had swung to more traditional styles.

TEACH

Ask students for an example of a trend in fashion that has occurred recently. How did it start?

ONGOING ASSESSMENT

Use the Try It On as an opportunity to conduct ongoing assessment of student comprehension of the lesson material.

TIME OUT

Do students know of a store where all the salespeople wear really trendy clothes that they would like to buy?

TEACH

Ask students why people buy clothing items they have seen people wear on TV.

TECHNO FASHIONS

Every aspect of fashion, from a designer’s idea to the final purchase made by a consumer, has been impacted by technology. Technology has increased the speed at which ideas can be turned into sales.

INSTANT GRATIFICATION

Customers see a garment in a movie or on TV and almost instantly search the Internet to find out where they can buy it. Web sites for entertainment venues are linked with those of major retailers handling the fashion products used in the entertainment. The downside is that the trend setters quickly tire of items once they are available to everyone.
For example, the web site Shop the Soaps at www.abcshowstore.com offers merchandise connected to ABC soap operas. The merchandise is directly related to what is happening on a show. The merchandise is not trend setting, but offers the merchant a new sales opportunity and information about its customer/viewer.

THE VALUE OF INFORMATION

The Internet allows companies whose business is researching and predicting trends to monitor and transmit information instantly to their customers. Worth Global Style Network (WGSN) is a subscription service that offers designers, manufacturers, buyers, and retailers information about the fashion business. Obtaining and managing information in a timely manner can be critical to success. Having access to intelligence about fashion trends through an online service reduces the time it would take using other media. Technology shortens the distance between trendsetters and wide availability in retail stores.

CHANGING THE FASHION LANDSCAPE

Technology has changed not only the way information is transmitted to users but also the way designers and manufacturers create garments. Prior to the use of technology, designers created hand sketches of garments that were then turned into patterns for cutting fabric. Each step was completed by hand. Tasks that took weeks now take days. Now designers who have an idea in their head, but whose sketching talents are limited, can use software to create the design and pattern. Technology allows consumers access to fashion information and photos direct from the designer and manufacturer. Retailers who once feared online shopping have found ways to use it to their advantage to increase sales. Technology is making fashion marketing more efficient.

TEACH

How much do the students know about the amount of information that is collected about visitors to web sites?

Discuss how a designer might use a software program to draw and transmit the design to a manufacturer in another country.

Cyber Marketing

People who do not like pressure from salespeople are buying very expensive jewelry items online.

Think Critically

Answers will vary but would include business people for whom money is not a problem.

TEACH

Researchers in Paris can view the trend-setters and email photos around the world instantly providing the information. How a company reacts to the instant information is what makes or breaks the company.
Ongoing Assessment
Use the Try It On as an opportunity to conduct ongoing assessment of student comprehension of the lesson material.

Trend Setters
Try to contact some young designers in your area who are just starting out in the business to have as guest speakers for the class. Like many designers, Jarmon likes the creative part of the business better than the business part, but he knows he must take care of both sides.

Think Critically
1. Answers will vary, but people in the business can help a new business survive by providing information and contacts.
2. Start working in the business and make visits to fashion businesses.

What impact has the Internet had on marketing-information management?
The Internet has brought an enormous amount of information to fashion marketers, but managing and using it still requires time and knowledge.

A grass roots marketing plan has worked well for Selven O’Keef Jarmon, a young successful designer. Meeting people, putting together projects that serve as ad campaigns, and getting tons of press has led to sales of his upscale clothing line. “You must believe in what you do, learn how to do fashion, put out a collection, and show it over and over as if it is a work of art,” Jarmon said, describing what it takes to be a successful designer. “People who know people who know people want to help me get where I need to be because they love my work. The individual has to do the work, and there is an immense amount of work involved in creating a collection,” says Jarmon. Jarmon acquired his interest in fashion from his aunts who made hats and accessories for the ladies of their church. Jarmon worked as a design assistant for a Los Angeles sports and swimwear manufacturer, then returned to his home in Houston to begin his own line of women’s wear. A fortuitous meeting on an airline with the owner of Tootsie’s led to Jarmon designing a private label for the upscale women’s boutique. His signature collections range from high-end blouses starting at $145 to evening gowns for $3,000. “I have created an audience and have enough income to take it to the next level,” states Jarmon about his plans for opening a New York address. “It is so important to be in a city where everything is there in terms of fabric, pattern makers, and the wholesale market.”

THINK CRITICALLY
1. Why do you think Selven O’Keef Jarmon says that it is important to know people in the fashion business?
2. How might a young designer meet people in the fashion business?
UNDERSTAND MARKETING CONCEPTS

Circle the best answer for each of the following questions.

1. When a garment is part of a trend, it means:
   a. it would make a great gift.
   b. it is classified as couture fashion.
   c. the item reflects the direction of fashion.
   d. it is a luxury item.

2. Obtaining information about trends via the Internet means:
   a. you will need to check the source of the information.
   b. information can be received instantly.
   c. you need to target your customer.
   d. planning, distribution, price, and advertising.

THINK CRITICALLY

Answer the following questions as completely as possible. If necessary, use a separate sheet of paper.

3. Think of a recent fashion purchase you made. Describe it by style, function, and price level. What was the most determining factor in your decision to buy?

   Answers will vary. Students should list the style, the function (for example, sportswear), the price of the item, and why they bought it.

4. Describe the merchandise and décor of a retail store that caters to you and your friends. Classify the product mix offered by style and functional classification.

   Answers will vary.
**REVIEW MARKETING CONCEPTS**

Write the letter of the term that matches each definition. Some terms will not be used.

1. Planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services. **e**
2. A specific audience of people to whom a business hopes to sell. **k**
3. How the elements—product, price, promotion, and distribution—are combined to meet customer needs and wants. **f**
4. What a business offers customers to satisfy needs. **h**
5. The combination of styles, product classifications, and price lines created by a designer or carried by a retail store. **i**
6. All of the ways a customer is encouraged to buy the product. **j**

**Circle the best answer.**

7. Assisting in the design and development of new products is **c**
   - a. financing.
   - b. marketing-information management.
   - c. product/service management.
   - d. none of these.

8. Advertising a garment in a magazine is an example of **a**
   - a. promotion.
   - b. product/service management.
   - c. purchasing.
   - d. none of these.

9. The phase when sales of a fashion item are at the highest level is **b**
   - a. the fast track.
   - b. the peak phase.
   - c. the classic.
   - d. a fad.

10. Some of the most common styles are **d**
    - a. trendy.
    - b. designer.
    - c. classic.
    - d. all of these.
11. In pairs, discuss why fashion trend researchers spend time observing people at work and play. Write down what they might do with the information they gather through observation.

Answers will vary. They use the information they gather to forecast trends and present the information to fabric manufacturers, designers, and garment manufacturers who hire them.

12. You are the manufacturer of a new men’s clothing line. Who is your target market? What stores do you want to sell your clothing line?

Answers will vary. The target will be an age group and/or ethnic group of males with stores appropriate to them.

13. Why do political leaders spend time and money carefully choosing the clothing to wear at public events and during media appearances? Why does it matter?

Political leaders have to keep up an image of power and confidence with the public. If they do not, they will lose power to someone who does.

14. Describe the kinds of information a business needs to know about teenage customers’ likes and dislikes before designing and manufacturing a new line of clothing. How can they get this information?

Answers will vary. Ask teens for the information.
15. **Marketing Math** Using a $3 bottle of fabric paint, you created an original design and printed it on a T-shirt that cost you $10. It looks great, and a small store in your neighborhood wants to buy 30 of your shirts. There may be more stores that you can sell to later. You can buy blank T-shirts online for $5 each, plus a total of $4 shipping and handling. A bottle of fabric paint costs $3 and will do five shirts. You want to make at least $100 profit. How much will you charge the store for each shirt?

\[30 \text{ shirts} \times $5 \text{ each} + $18 \text{ for ink (each bottle of ink does 5 shirts; 6 bottles of ink)} + $4 \text{ shipping and handling} + $100 \text{ profit} = $272 \div 30 = $9.07 \text{ for each shirt}\]

16. **Ecology** When people shop online for clothing, are they helping to improve air quality and reduce pollution? Why or why not?

When people shop online they might be reducing some air pollution from their automobiles, but then the items have to be delivered to them, usually by a truck.

17. **Technology** In groups, discuss how a fashion manufacturer might use the Internet to save time and money. Make a list of five ways.

Answers will vary but can include: obtaining research from online research firms, communicating with customers, looking at what other companies are doing, finding goods and services they need, and advertising their own services.
You are the special events director for an upscale designer clothing store located in a fashion mall. The mall is located where two major highways interconnect several miles outside of a large city. Other large cities are within an hour’s drive. A sluggish economy, stiff competition from major department stores, and successful designer outlet stores have resulted in decreased sales for your specialty store. You must devise a series of special events during October, November, and December (the busiest months for your store) to increase business. You must consider promotions that will increase customer traffic and special sales strategies that may be used without losing money. Also, the store needs to develop stronger, personalized customer relations and loyalty.

Outline and describe a special promotions weekend for your clothing store. Then design a newspaper advertisement that describes the weekend promotions and sets your store apart from competitors. Describe other forms of advertisement you would use to make the public aware of the promotions and draw them off the highways and from the major cities. Once customers are in the store, describe actions that will be taken to encourage customer loyalty and repeat business.

You are working with a small retailer who wants to target career-oriented young people, ages 23 to 30, as the customers for her apparel store. The retailer wants help in deciding what product mix to select. She plans to hold prices at a moderate level—above what discount stores offer but below upscale prices.

Work with a group and complete the following activities.

1. Determine what additional information you need to know about the target customer.
2. Create a spreadsheet with style options and functional classification options as column headings.
3. Search the Internet for information about the following brand names: Polo, Tommy Hilfiger, Marc Jacobs, Nine West, and Jones New York. You may include additional brands of your choice.
4. In rows on your spreadsheet, list the brand names and place a checkmark under the style and classification options that apply to each brand.
5. Write a one-page report that explains your chart and makes a recommendation of the brands that should be carried in the store and why they would appeal to the target customer.